



Daily Report

East Europe

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NOTICE: This volume contains a representative selection of material previously disseminated in softcopy format.

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Albania: President Berisha Declares Elections 'Free and Fair'

AU2705210996 Tirana ATA in English
1955 GMT 27 May 96

[FBIS Transcribed Text] Tirana, May 27 (ATA)—President Berisha declares the elections have been free and fair, but naturally, Albania still needs time to have a perfect procedure, the President's Press Office reports.

"The call for pulling out of the election due to the deep loss and later, the withdrawal of several parties only few hours before the elections closed, not waiting for the results and comments by hundreds of observers, are irresponsible and absurd acts," the president's statement says.

Berisha also declares although the counting of the vote has been carried out in the presence of the other opposition parties, the voting papers are put at the disposal of the observers and monitors these parties may chose for the vote counting.

"Their (opposition parties') seats in the parliament, either according to those won by a majority system or according to the list, will remain open for their participation in the new parliament," the statement says.

The second round will be free and fair and can be observed by anyone who wishes, the statement concludes.

Albania: Thousands Celebrate PD Victory at Tirana Rally

AU2805063396 Tirana ATA in English
2007 GMT 27 May 96

[Report by Fatos Vladi]

[FBIS Transcribed Text] Tirana, May 27 (ATA)—Thousands of people, Democratic Party [PD] supporters, have been celebrating since Monday [27 May] morning the PD victory in Sunday's parliamentary elections.

The Albanian TV has been broadcasting on Monday views of thousands of people celebrating the victory on the Tirana streets.

The people interviewed by chance by the TV said they "had been looking forward to celebrating this day and that this victory was a triumph over communism."

The festivities which continued until evening had begun since Sunday night with PD supporters waving blue flags of the DP and posters.

Youths on motorcycles and bicycles have been driving along the boulevard "Martyrs of the Nation."

At 1900, the PD held a victory rally with the participation of thousands of PD sympathizers from Tirana and other districts of Albania.

Albania: Berisha Comments on Election Win

AU2705173696 Tirana Radio Tirana Network
in Albanian 1330 GMT 27 May 96

[Report by Zamira Koleci on news conference by Albanian President Sali Berisha and Democratic Party chairman Tritan Shehu on 27 May; place not given—recorded]

[FBIS Translated Text] The leaders of the Democratic Party [PD] electoral campaign, Sali Berisha and Tritan Shehu, held a news conference today.

At the news conference, President Berisha thanked all the voters for the historic verdict of 26 May, with which the Albanians changed history.

[Berisha] I guarantee them that the PD will use their faith in full conformity with the goals and aspirations for which they voted.

[Koleci] The Albanians voted for their future and for Albania's place where it was born, in the West, Berisha said, and assured that the votes cast by the opposition will be completely respected.

[Berisha] They will have their spokesmen in the Albanian Parliament despite the absurd decision of the political group that decided to leave the Albanian political scene. [applause]

[Koleci] Everyone won with yesterday's vote. Only a group of Marxists who deserved defeat lost, Berisha stated. The people defeated them in the most powerful battle at the end of this century. With this act, the Albanians honored the freedoms and spaces of their exploitation during these four years. [sentence as heard]

Later, Berisha commented on the motives of the democratic achievements, considering the international solidarity and the capability of the Albanians to make good use of their freedom as the most important and deserving of gratitude.

After stressing that, yesterday, the Albanians voted not only for what has been achieved, but also for the PD's future program, Berisha took pleasure in listing the factors that brought victory; the keeping of promises, the organization of a civilized, intensive, and direct campaign, the election of the best candidates, unlike the opposition who appointed former Party of Labor deputies, as well as the best program, which the PD presented to the electorate.

[Berisha] I have to stress that victories have only one pillar—the beauty. [sentence as heard] However, a victory that comes from the unconditional surrender of the opponent in the battlefield is the most complete victory of all [word indistinct due to loud applause]

[Koleci] President Berisha also stressed, however, that the PD won because it was and is a renewed force. Just as during the electoral campaign, Berisha is conscientious that mistakes have been made and will be made in the future. However, we successfully overcame our greatest challenge together, Berisha said. That is why the PD scored this most deserved victory.

[Berisha] We won yesterday because, from socialism and democracy, the Albanians chose democracy. In front of you here, I would like to guarantee all of them that we will use our victory to consolidate democracy and its values in Albania so as to integrate Albania into Europe and contribute to peace and stability in the region. We will use our victory to defend the freedoms and rights of Albanians wherever they are, in conformity with the international acts and agreements, and to guarantee Albania's development according to the quickest model... fast economic development.

[Koleci] Berisha considers the decision of the Red Front [to withdraw from the elections] as an irresponsible and absurd decision. Commenting on this decision, Berisha put forward some questions: Why did they not decide to withdraw a day before? Why did they not wait for the opinion of the observers who they themselves had invited to attend the elections, but instead signalled defeat yesterday afternoon?

PD Chairman Shehu presented the correspondents with evidence of the attempts by the socialists to create terror and incidents on the election day. Shehu also said that the voting records have been signed by socialists as well; something that shows that not all of them obeyed their leadership's order.

Albania: Socialist Party Condemns 'Electoral Farce'

AU2805115496 Tirana ZERI I POPULLIT
in Albanian 28 May 96 p 2

["Statement by Socialist Party General Management Committee Addressed to the Public and the President of the Republic," issued in Tirana on 27 May]

[FBIS Translated Text] An extended meeting of the Socialist Party [PS] General Management Committee and of PS parliamentary candidates examined with a special sense of responsibility the decision of the presidium to withdraw the parliamentary candidates from the 26 May elections, not to recognize the election

results, to annul the elections, and to repeat them under guaranteed democratic conditions. It also examined the extremely tense situation that has been created following the electoral coup d'etat. The PS General Management Committee decided to inform the public and President Sali Berisha of its conclusions, the facts, and its specific demands.

1. On the basis of facts and documents secured before and during the elections:

—The Central Electoral Commission has openly violated the final paragraph of Article 75 of the Electoral Law, and in this way failed to guarantee that protocols of the result would be given to all the electoral participants and signed by their representatives. This has made it totally impossible for the opposition to control the results of the voting and has left a free hand to the presidiums of the commissions made up of representatives of the ruling party to manipulate the results and to announce them according to prearranged quotas rather than according to the will of the people.

The final paragraph of Article 66 of the law has been violated in that the opposition political parties were not allowed to have their representatives in the polling station and constituency commissions. Even in those few cases in which they were permitted, they were forcibly removed in the early hours of the voting under the threat of the forces of order and armed phalangists under their command.

—In violation of Articles 37 and 39 of the law, the representatives of the opposition parties were not allowed to exercise their rights during the voting or to count and sign the ballot papers, to make criticisms during the voting, or to protest violations of procedure. In cases in which the PS representatives demanded that decisions should be made jointly, they have been threatened, forcibly ejected, and in many cases detained by the police.

—Articles 35, 37, and 39 have been thoroughly violated, in that several electoral participants have been prevented from taking part in the commissions and their representatives have arbitrarily been replaced by representatives of the ruling party.

In violation of Article 44, which states that meetings of the commissions are valid when attended by more than one-half of their members, decisions have been made on the basis of orders from the chairman and secretary, who are representatives of the ruling party.

—In open violation of Article 26, the electoral rolls were not published 30 days in advance, and supplementary lists were announced 24 hours before the elections or

even less. The electoral rolls were not given to the electoral participants despite their repeated demands.

—In violation of the spirit and letter of the Electoral Law, according to which candidates for deputy cannot be held penally responsible or be detained or arrested, many candidates for deputy in many constituencies and districts have been detained and savagely beaten by the police and the National Intelligence Service [SHIK].

We possess proof that in violation of Article 67 of the law, many thousands of ballot papers were printed and distributed.

In the full knowledge of the president of the republic, the voting was controlled and directed by the police, the SHIK, and illegal armed gangs of the PD, who in hundreds of cases beat up and injured the representatives of opposition parties on the commissions, detained members and supporters of the opposition parties, and closed some polling stations in the very first hours of the voting.

On the basis of these and many other facts, the PS General Management Committee has decided:

- a) To fully approve the decision of the PS Presidium.
- b) Not to recognize the results of the electoral farce of 26 May, because they have been rigged and are not genuine.
- c) To withdraw all its candidates for deputy and all members and observers from the electoral commissions in order not to give legitimacy to the electoral farce and the rigging of votes.

d) The PS determinedly demands the annulment of the 26 May elections and their repetition under guaranteed free and democratic conditions, with total equality of competition, and under the rigorous observation of the EU, the Council of Europe, and the United States.

2. The PS denounced long ago all the serious violations of the electoral law and the outrages to free and equal elections, but saw fit to take part in the elections in order to enable the people to express their free will. However, faced with a scenario of vicious police violence and also in order to avert the scenario of confrontation and bloodshed that had been prepared for the end of the elections, as shown by the massive gunfire in the capital city and all the country's districts, the PS acted rightly in withdrawing from the vitiated elections.

Under the circumstances that have been created, besides the annulment of the vitiated elections and the creation of conditions to conduct a genuinely democratic poll, the PS also demands:

1. All PS members and supporters who were illegally detained and are being held under arrest by the police must be immediately released.

2. All police personnel who have beaten and assaulted the people during the voting must be called to account before the law.

3. All illegal armed gangs and groups of phalangists must be dispersed and all armed individuals and criminals that constitute a major danger to democracy and the security of people's lives must be disarmed. All those who have organized, armed, and commanded these illegal phalangists must be called to account before the law.

4. The use of firearms by persons in the service of the state and by individuals armed by the police must be forbidden immediately, and the freedom and lives of the population and of members and supporters of the PS and the progressive opposition in Albania must be secured.

These demands will be supported by a massive democratic movement of the entire people.

Albania: Papers Report Opposition Call for Protest Rallies

AU2805105296

[FBIS Report] The Tirana opposition papers ZERI I POPULLIT, POLI I QENDRES, and KOHA JONE in Albanian on 28 May carry calls for a protest rally in Tirana's Skenderbeg Square.

ZERI I POPULLIT carries on its front page the headline "Opposition United Against Neodictatorship; We Do Not Recognize the Results of the Elections and Call for Them To Be Held Again; Opposition Invites the People to Skenderbeg Square," followed by the text: "The Socialist Party, the Democratic Alliance, the Social-Democratic Party, the Agrarian Party, the Party of National Unity, and the Human Rights Union invite their voters to a rally in Skenderbeg Square at 1200 [1000 GMT] today to protest the theft of their votes and the violence and terror exercised by the state. The Democratic Party of the Right, the National Front, and in part the Republican Party and the Christian Democratic Party also do not recognize the results of the voting and condemn the malpractices."

POLI I QENDRES and KOHA JONE carry similar appeals on their front pages.

Albania: Interior Ministry Warns Against Protest Gatherings*AU2805063996 Tirana ATA in English
2014 GMT 27 May 96*

["Announcement of Interior Ministry"—ATA headline]

[FBIS Transcribed Text] Tirana, May 27 (ATA)—Certain political forces have called on the people to protest by gathering in squares or other public places.

The Interior Ministry calls on these forces and citizens to respect the laws in force.

The ministry reports that it will not allow anyone to act contrary to the Law on Gatherings in squares and other public places and that it will act according to the law for their prevention.

Albania: Opposition Views Berisha's Electoral 'Tight Squeeze'*AU2705114296 Tirana DITA INFORMACION
in Albanian 27 May 96 p 2*

[Editorial: "Berisha Does Not Want To Recognize the Election Results"]

[FBIS Translated Text] If it is true that the Republican Party [PR] will also withdraw from the elections, then the spectrum of political parties necessary to legitimize them will be very narrow. Eight parties have abandoned them and, regardless of the results and a fair or unfair counting, only the Democratic Party [PD] and Laco's party [Social Democratic Union] will remain.

No doubt yesterday and especially its close was very difficult for Berisha, and different from what he had expected. The PD was known to have been preparing for these elections since losing the referendum. It had successfully maneuvered on the international front, and indeed domestically, but only by behaving pragmatically by resorting to the Antigenocide Law and the Electoral Law and by making use of the repressive elements of the state, thus exploiting every form of legal and illegal elbowroom. In their desire to make use of this elbowroom, these state structures have shown an excess of zeal. They have beaten up opposition members on the commissions and forcibly ejected them, only to send them back, likewise by force, following the decision by the leaders of the opposition parties to withdraw from the elections. President Berisha therefore has a great deal to think about today. Will the elections be of any value once the main opposition parties have withdrawn? What will his Greek partner say about the Albanian elections when the Human Rights Union has withdrawn and will not recognize them? What will Europe say as its observers and journalists report the real events as

they happen? Berisha must answer for the excess of zeal among the Vlore police, the National Intelligence Service agents [shikas] of Tirana, the savagery shown in Lazarat toward the representatives of the National Front and of the hooligans who beat up PR Deputy Chairman Fatmir Mehdiu in Fier. This is because Berisha is responsible for these elections in many capacities, as president, chairman of the PD's Electoral Commission, number one on the PD's proportional representation list, chairman of the High Council of Justice, etc. It is no doubt little consolation to him that at 2300 [2100 GMT 26 May] the Republican leader Godo had still not decided what to do: whether to wait for the votes to be counted or to withdraw under the pressure of Mehdiu with his dislocated shoulder. Meanwhile, the Christian Democrat Bushati is waiting to see what Godo will do.

Now that the opposition has withdrawn, there is no point in a second round. The elections as a whole have lost their point. The opposition has called this a coup d'etat. Berisha will therefore be in a tight squeeze today. He cannot excuse all the behavior of his state, the police, the National Intelligence Service, or whoever, because this will make his position more difficult. Nor will the figures of more than 90 percent coming from different regions of Albania be any consolation. It is well known how these figures are reached.

Why Will Berisha Not Recognize the Election Results?

Even though the president said at 2000 that more than 80 percent of the electorate had voted, he will have remembered that in a democracy it does not matter how many votes there are, but who counts them. But this is still a just a formula. No country in Europe will acknowledge civil rights to a "joke," in the course of which three-fourths of the parties of both the left and the right have withdrawn from the elections.

Moreover, there are also pragmatic reasons: A country that is difficult to govern in quiet times will on the day after tomorrow, two days after the elections, collide with the dollar.

As a citizen, Berisha will finally realize that the zeal of his bootlicking cafe-table analysts has indeed plunged him into an abyss from which he alone can extricate himself: with de Gaulle's solution. Either a French-style resignation or Byzantine tactics. Common sense would indicate that we will be temporarily governed either by a government of technocrats or a presidential council.

Albania: Socialist Party Leader on Not Recognizing Elections

AU2705090096 Tirana ATA in English
0003 GMT 27 May 96

["News Conference of Socialist Party"—ATA headline]

[FBIS Transcribed Text] Tirana, May 26 (ATA)—The SP [Socialist Party] had a news conference in one of the halls of SP headquarters in Tirana on Sunday. SP deputy chairman Servet Pellumbi told reporters that the decision of the SP Presidency was categorical and irreversible. He declared that SP is not going to take part even in the second round of elections.

SP leaders seemed to be very tense in communications with reporters. The main arguments of SP in their declaration on the withdrawal from elections and non-recognition of the election results whatever it contains a considerable part of the statements, mainly its 8th and 9th points, which SP leaders have made even before [sentence as received].

SP deputy chairman Namik Dokle showed reporters some photos of unidentified people with some signs on their backs, which Dokle alleged to be a result of beatings by police. Reporters have noticed the fact that SP did not give any news conference the whole day, did not issue any public report about cases of violence, which according to them, was exerted during all the day.

Asked by the Voice of America if the SP was late in its decision to withdraw from elections, Mr Pellumbi said that their decision was quite in time, they were not late to take that decision which, they said, was categorical.

In reply to another question Mr Pellumbi declared that SP would not recognize pronouncements by United States or European institutions about the final official election results in Albania.

In talks with reporters as well as from inner sources of SP it was said that since last night the latest decision of SP was a previously prepared reaction in case they would not win in the poll.

This variant of reaction by SP is supposed to have been discussed even in a meeting yesterday evening held in one of the main hotels in Tirana by the SP leading Committee, some other opposition parties and observers of the European left wing.

In the meantime it is reported that one after another the SP members in the election commissions across Albania have withdrawn without any reason and have left the commissions despite the insistence by commission chairmen and secretaries.

There are no official reports from the cities of the country whether violence has been used and in what proportions.

Albania: Commission Extends Voting Due to 'Long Lines' at Polls

AU2605164396 Tirana Radio Tirana Network
in Albanian 1330 GMT 26 May 96

[Interview with Central Election Commission Secretary Kreshnik Spahiu by Arben Muka from the Palace of Congresses in Tirana—live]

[FBIS Translated Text] [Muka] At present, the Central Election Commission [KQZ] is continuing to telephone representatives of the election commissions in polling stations and constituencies; it is responding to the representatives' concerns. Here is KQZ Secretary Mr. Kreshnik Spahiu. Mr. Spahiu, how have the elections been going since 0700 [0500 GMT], when the polls opened, until now?

[Spahiu] Several hours after the polls opened nationally in all constituencies in Albania, the KQZ has been kept informed in various ways, but mainly through telephone calls. From various reports that the KQZ has received, we may say that, on a national level and in almost all of the 115 constituencies, there is large and massive participation by all the citizens who enjoy the right to vote. For these reasons, there have been long lines of voters in the polling centers, waiting for their right to express their free will through the vote and elect the candidate and the political party for whom they will cast their vote. However, from the reports we have received, there have been problems with procedural ambiguities that the commissions of polling stations or constituencies may have during the voting. In various ways and for different problems, commission members have given the respective explanations to every commission of the polling stations or constituencies.

I would like to avail myself of the opportunity to reiterate once again the decree of the president of the Republic, who extended the closing deadline by two more hours, until 2200 [2000 GMT]. This was done for two reasons, first of all due to the large participation in the polls. As I stressed before, there are long lines of voters at the polling stations and this may become an issue if the polling stations close at 2000, thus depriving the citizens who enjoy the right to vote, of their right to vote and express their free will. The other reason lies in some confusion that may arise in the interpretation of Paragraph 2, Article 64 by some commissions of various polling centers. This paragraph states that, if after 2000 there are still people waiting to vote, the voting will continue until all the people present

complete their voting. Thus, there may have been some misinterpretation here by the commissions of the polling stations, thus the expression of the free will of citizens may not have been guaranteed regarding their vote.

After receiving reports, which have been passed on to the public through the media, on the irregularities observed in the voting records and the fact that these records were duplicated and the public order forces have seized them, the KQZ saw the need to increase the level of security of the voting records. However, I would like to stress and guarantee that the voting records—in form, content, and in all other elements—have not changed. What has been added is the degree of security

by changing the color of the voting record. This was done with the aim... I would say, this is in the interest of all the subjects but also that of the entire Albanian electorate with the aim of guaranteeing their free vote and at the same time refuting any kind of objection or doubt that may arise as a result of these voting records that, in an irregular way, have been duplicated by various subjects.

[Muka] Thank you, Mr. Spahiu. Meanwhile, foreign observers and journalists continue to be accredited to the KQZ offices.

Bulgaria: Pirinski Refuses To Change Meeting Dates

AU2705155796 Sofia DEMOKRATSIYA in Bulgarian
25 May 96 p 3

[Article by Mila Kuncheva: "Pirinski Refuses To Change Balkan Meeting Dates"]

[FBIS Translated Text] The Bulgarian Foreign Ministry has no intention of changing the dates of the Balkan foreign ministers meeting, which will take place in Sofia on 8-9 June, and therefore, Turkey will not take part in the meeting. Mr. Irtemelik, Turkish ambassador to Bulgaria, held a news conference on 22 May at which he explained that Turkey wants very much to participate in the meeting, but as the dates set by the Bulgarian Ministry of Foreign Affairs are very inconvenient, the Turkish foreign minister will not be able to attend. Mr. Irtemelik pointed out that the forum is very important for Turkey, which insists on being represented by its foreign minister and not by a deputy. Therefore, he appealed to Bulgaria, as the host country, to change the dates, so that his country could participate in the meeting. On 23 May, en route to Warsaw, Foreign Minister Pirinski said that "we continue diplomatic contacts to make sure that that all countries invited be represented at the Balkan foreign ministers meeting." As the Foreign Ministry is not prepared to change the meeting's dates, it is not clear what precisely is being negotiated at the contacts with the other countries.

Bulgaria: Negotiation on Balkan Meeting Dates Considered

AU2705160396 Sofia STANDART NEWS
in Bulgarian 25 May 96 p 4

[Editorial commentary: "Sofia To Negotiate Further About Balkan Foreign Ministers Meeting"]

[FBIS Translated Text] Yesterday it became clear that Bulgaria will negotiate further in order to save the meeting of the Balkan foreign ministers, planned for 8-9 June.

Otherwise, the event could become a regular meeting of several first diplomats from the region. This variant emerged after Turkey officially announced its decision to not participate in the meeting. Albania is still hesitating.

At the special news conference he gave on this matter on 22 May, Turkish Ambassador Mehmet Ali Irtemelik said that this Balkan meeting is very important for the countries in the region, which are marching toward Europe. Turkey strongly supports the conference. Simultaneously, he expressed puzzlement over the fact that the hosts have selected precisely the dates of 8-9

June, which are absolutely inconvenient for the Turkish foreign minister, who on those dates will take part in the UN forum in Istanbul. The ambassador expressed hope that Bulgaria would take this into consideration and change the dates.

The Bulgarian Ministry of Foreign Affairs reacted immediately. "We shall continue to seek a compromise solution," spokesman Panteley Karasimeonov announced. According to him, Bulgaria is prepared to make the meeting's agenda very flexible in order to accommodate the Turkish foreign minister. "We do not want to dramatize the problem, and will conduct consultations through diplomatic channels," the spokesman said. Karasimeonov pointed out that at the previous meeting of Foreign Minister Pirinski with his Turkish counterpart, no objection had been expressed regarding the meeting's dates.

At the same time, representatives of the leftist forces believe that if anyone decides to not participate in the Sofia meeting, that is his problem rather than Bulgaria's. According to National Assembly Member Elena Poptodorova, Bulgaria made its proposal a long time ago. The idea has been supported by all the Balkan countries, including Turkey. Poptodorova says that the U.S. Administration also supported the meeting. According to her, if someone finds himself isolated because of his own will, he should bear the negative consequences of his decision.

However, the opposition thinks that this attitude of the Bulgarian Socialist Party is another attempt to isolate Turkey and create an imbalance in the Balkans. According to Nadezhda Mikhaylova, deputy chairperson of the Union of Democratic Forces (SDS), the absence of any country would render the meeting meaningless to a large degree. Declarations in themselves are insufficient in foreign policy. Deeds are necessary, through which we will show the world that we are interested in conducting a benevolent dialogue.

The SDS hopes that the visit to Sofia of Richard Schifter, Clinton's adviser, and his talks with Zhelev and Pirinski, will cause a change in Bulgaria's position.

Bulgaria: Reasons for FYROM Shunning Sofia Meeting

AU2805095196 Sofia Khorizont Radio Network
in Bulgarian 0900 GMT 28 May 96

[FBIS Translated Text] According to some Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] mass media, Macedonia's participation in Sofia's meeting of the southeast European ministers of foreign affairs, scheduled to take place on 8-9 June, is

unacceptable. Our correspondent Kostadin Filipov reports from Skopje:

[Begin recording] The announcement that Macedonia would not participate in Sofia's meeting was reported yesterday twice by the independent A-1 television channel, which cited reliable sources in the Macedonian Ministry of Foreign Affairs.

Today the daily DNEVNIK carries the announcement under the headline: Macedonia Will Not Participate in the Meeting of Diplomacy Chiefs in Sofia. There still is no official announcement on this new position of Skopje, but as reasons for not participating, one cites here treating the Macedonian delegation as representatives of FYROM rather than using the official constitutional name of Macedonia, and the coincidence with the Istanbul Habitat Forum, which is taking place at the same time, and where Macedonia will participate.

If the announcement is indeed officially confirmed, this will mean that some of the preliminary reservations in Skopje regarding the Sofia forum have prevailed.

As prerequisites for Macedonia's participation, one mentions here the participation of all countries in the region, keeping the forum as a free and open event, and preventing it from turning into an institutionalized association on regional cooperation.

For Skopje, it is more important to associate with the European institutions, first of all with EU and NATO, and in the opinion of its leaders, regionalization could prevent this. Therefore, it is possible that at the last moment similar arguments have prevailed and determined the negative attitude toward the Sofia meeting. [end recording]

Bulgaria: Videnov Returns From Visit to China, Vietnam

AU2705135096 Sofia Khorizont Radio Network in Bulgarian 0400 GMT 27 May 96

[FBIS Translated Text] Late last night, Prime Minister Videnov returned from visits to Vietnam and China. He described the two visits as very successful and added:

[Begin recording] Very briefly, I think that this is the most dynamically developing world region—I mean the Asian-Pacific region. Bulgaria has traditional partners in China and Vietnam, and they are prepared to grant Bulgaria a worthy place among the other countries that are partners of their developing economies. For them, Bulgaria is a point of contact with Europe. I mean integrating Europe, in which both China and Vietnam are greatly interested. If I could add to all this certain meetings I had in India and Uzbekistan, I think that we marked very specific steps on activating bilateral

relations. This will become evident in the next few months.

We can expect a lasting trade exchange with China at mutually beneficial prices, as well as a very serious place in the vast Chinese market and dynamically developing economy.

The possible free trade zone is mentioned in the final communique on the visit to China, and if the two Trade Ministries adopt this idea, it could be implemented.

Vietnam is prepared for all forms of settling the mutual financial relations, including through trade exchange, reinvestments in its economy, and so forth. Many possibilities were discussed and the specific trade and financial negotiations will determine which one we will select. [end recording]

Answering a question from our reporter, the prime minister also took a stand on the issue of the expected talks on supply of energy sources to Bulgaria;

[Begin recording] What is meant is coal from Vietnam. There is a very active interest in such a supply for the Bulgaria power engineering. If permanent and mutually beneficial prices are agreed upon, this could be a good alternative source of energy vis-a-vis Ukraine, from where the supply becomes more difficult. [end recording]

Bulgaria: Videnov's Accomplishments in East Asia Questioned

AU2805111596 Sofia PARI in Bulgarian 28 May 96 p 2

[Commentary by Krasina Krusteva: "Zhan Returned and Said That Everything Is All Right"]

[FBIS Translated Text] The prime minister returned and announced that his visit abroad was exceptionally successful, and that any problems with the grain—if indeed there are any—will be immediately resolved. The prime minister calmly explained that difficulties with the bread supply when there is an accumulation of holidays and weekend days is a normal matter. He provided another popular science explanation, namely that the new harvest is around the corner, and the old reserves are about to be used up, but again, this is only natural.

However, we have our doubts, and this little worm is eating us up—what actually did Videnov accomplish in China and Vietnam? Of course, the Bulgarian delegation visited the Wall of China and the Ho Chi Minh museum. In addition, they visited many pagodas and enriched their personal culture. Now how did all this enrich our motherland with bread and fuel? The unannounced visit

to the Indian city of Bombay was another contribution to the delegation's general culture, but here the people justifiably thought that Zhan was wasting time in order to avoid a meeting with Simeon.

Zhan Videnov said that the dynamically developing countries of Southeast Asia are prepared to push the competition in their markets over in order to make some room for us. How, when, what goods, etc., remained unclarified issues. Reportedly the Vietnamese are interested in exporting coal to Bulgaria. Again, nothing specific was agreed upon. We are supposed to negotiate their debt to Bulgaria, but again—sometime in the autumn. The prime minister was accompanied by the directors of almost all the pharmaceutical enterprises, but no contracts regarding the export of medicines and cosmetics were signed.

The prime minister was calm. He smiled a lot and appeared well rested, while telling those who came to greet him about his great successes in Southeast Asia. The only good thing is that he had a good rest, because much work is waiting him here.

Bulgaria: Videnov's East Asia Visit Seen as Unproductive

AU2705135996 *Sofia KONTINENT in Bulgarian*
27 May 96 p 4

[Commentary by Svetoslav Terziev: "Good and Bad News"]

[FBIS Translated Text] Zhan Videnov's East Asia tour can be summarized as producing both good and bad news. The good news is that the visit restored the political dialogue with China and Vietnam, which Democrats of the caliber of Filip Dimitrov [prime minister of the Union of Democratic Forces, SDS, opposition government] and Stoyan Ganev [foreign minister in the SDS government], had demonstratively turned their back on. The bad news is that the prime minister only succeeded in reviving the dialogue with those two countries as far as good intentions are concerned, and that no significant economic results were achieved during the visit.

It is a pity that precisely the administration that announced the economization of our foreign policy has now to its credit a visit to East Asia that produced only good will, devoid of any deals and direct economic commitments. This world region has become very attractive in recent years, mainly with its dynamic growth. Today no one makes a visit there for the sake of sightseeing.

Videnov made a visit 10,000 km. from Bulgaria precisely at a time when the country is engulfed in the gravest economic crisis in recent years. The prime

minister departed with empty hands and returned with empty pockets, which demonstrates that both in and outside the country his team is at its worst in the economic sphere.

Bulgaria: Gechev Returns From Moscow, Assesses Visit

AU2405141096 *Sofia Khorizont Radio Network in Bulgarian* 1300 GMT 24 May 96

[FBIS Translated Text] On 24 May, Deputy Prime Minister and Minister of Economic Development Rumen Gechev returned from Moscow, where the final Days of Bulgaria are taking place. This is what he said at Sofia airport:

[Begin recording] I was briefed on the exceptionally successful Bulgarian industrial exhibition in Moscow, which took place there within the framework of the Days of Bulgaria in Russia. Dozens of contracts to supply Bulgarian products have been signed. That is the good news. It appears that the chances of exporting Bulgarian autos and electric cars to Russia are significantly increasing.

I had meetings at the Russian Ministry of Economic Cooperation. We discussed issues concerning the economic trade exchange and cooperation and the foreign currency rate. We noted the common and different factors in managing the foreign exchange market in Russia and Bulgaria, and exchanged experience in this field.

We discussed the customs preferences that Bulgaria expects. This is a painful issue, but I think the negotiations are in their final stage. Colleagues from the Russian Ministry of Economy said with great confidence that the issue will definitely be resolved at the upcoming September session of the Bulgarian-Russian Intergovernmental Economic Commission. The preferences will be included in Russia's 1997 draft budget.

In addition, I had talks with Finance Minister Mr. Panskov. We discussed issues related to the two countries' financial systems and the possibilities of developing cooperation in this sphere. [end recording]

Bulgaria: Country To Demand 25-Percent Share of Pipeline

AU2705134596 *Sofia DUMA in Bulgarian*
25 May 96 p 5

[DUMA PRESS report: "Burgas-Alexandroupolis Depends on Moscow Decisions"]

[FBIS Translated Text] The tripartite meeting at the expert level on the Burgas-Alexandroupolis oil pipeline, which has been agreed upon in governmental accords,

will most likely take place after Russia's presidential elections. The Russian side has requested this, explaining that the election campaign requires much time, and that the elections' results could change things, the government Press Center announced. At its last meeting the cabinet discussed a technoeconomic study conducted by Bulgarian experts on the construction of the oil pipeline. Representatives of the Council of Ministers; the Ministries of Territorial Development and Construction, Foreign Affairs, Transportation, Trade, Finance, and Foreign Economic Relations; and "Nefstokhim"-Burgas are participating in the expert group. According to preliminary conclusions, the project will need investments to the tune of \$570-\$640 million. The Bulgarian side will insist on receiving 25 percent of the project at a ratio of 50:25:25.

Bulgaria: Former Agents Say Spy Network 'Destroyed'

AU2805121396 Sofia KONTINENT in Bulgarian
28 May 96 p 2

[Article by Slavi Angelov: "Presidency Destroyed Bulgaria Spy Network Abroad"]

[FBIS Translated Text] At the initiative of the current Presidency, the spy network [residentura] of Bulgarian intelligence throughout Europe was closed down, and our colleagues brought back to Bulgaria, the chiefs of the Association of Bulgarian Retired Spies said on 27 May.

Colonel (retired) Marin Petkov said that Bulgaria's rulers had decided that there was no need for spying in Europe, America, or Asia, and directed efforts exclusively on the Balkans. Dimitur Ludzhev [former minister of defense], Yordan Sokolov [former minister of defense], Stoyan Ganev [former foreign minister], and Filip Dimitrov [former prime minister of the Union of Democratic Forces cabinet] also contributed to destroying Bulgaria's espionage, the people from the association recalled.

General (retired) Georgi Manchev, the last commander of the Scientific-Technical Intelligence Service, said that during the period of 1981-89 alone his service had saved the state \$400 million.

Colonel (retired) Yordan Ormankov said that people with great intellectual acumen were members of the association, but were not sufficiently utilized. Topical information reaches members of the association, and they convey it to the intelligence service. We also propose ideas and cadre moves to the Ministry of Internal Affairs, and some of the association members were restored to their positions, General Vladimir Todorov, chairman of the association says.

"It is our impression that Nikolay Dobrev [minister of internal affairs] is not Nachev [former minister of internal affairs]. He will purge the ministry of corrupted employees and break the back of crime," he said.

Bulgaria: Ex-King Simeon Meets Mayor, Journalists

AU2505171496 Sofia Khorizont Radio Network
in Bulgarian 1600 GMT 25 May 96

[FBIS Translated Text] Here are some details regarding the private visit of Simeon Saxe-Coburg Gotha and his wife Margarita Gomees-Asebo, which began today.

At Sofia Airport, the guests were greeted by Sofia Mayor Stefan Sofiyanski; National Assembly members, among them Ivan Sungarski and Aleksandur Dzhеров; public figures such as Radoy Ralin and Asen Mushanov; highranking clergy; Konstantin Trenchev, president of the Podkrepa Labor Confederation, and representatives of the Turnovo Constitution Organization and other public associations.

Afterward, the guests' motorcade headed toward the Sofia Town Hall. Sofia citizens greeted Simeon Coburg Gotha along the Tsarigradsko Schausse road.

In front of the Sofia Town Hall, Simeon Saxe-Coburg Gotha was greeted by thousands of Sofia citizens who chanted "We Want Our King!" Obviously moved, prior to his meeting with Mayor Sofiyanski and his team, which lasted 40 minutes, Simeon greeted the people from the Town Hall window. This is what he said to the reporters:

[Begin Simeon recording] Thank God we lived to see this day. It is a pity that I am not doing what Sofia is doing—I do grow old. [Sofia's motto is "The City Grows but Does Not Grow Old"]. I am terribly excited, therefore, I cannot say anything more. [end recording]

At the meeting with the mayor, Simeon said that he connects today's meeting with a very distant past, and that his greatest wish is to meet and hear as many people as possible, and see what he can do, so that the world again views Bulgaria with a hope.

Mr. Sofiyanski presented Simeon with an icon of St. George the Victorious, and his wife Margarita with a blouse with Bulgarian national embroidery. The two guests signed Sofia's Golden Book.

This is how Mayor Sofiyanski summarized his impressions of the meeting:

[Begin Sofiyanski recording] In such a case, one must share the excitement of the guest. Everything he said to us and the people was an expression of his excitement

and happiness with the fact that he is a person loved in Bulgaria. What impressed me most in his statement were his words: Today I erase from my life the 50 years during which I was not in my country. [end recording]

Simeon Saxe-Coburg Gotha repeated this sentence to the people when he left the Town Hall.

At the brief news conference he held at Hotel Intercontinental, Simeon Saxe-Coburg Gotha stressed the following:

[Begin Simeon recording] I am terribly excited despite the fact that this is only a very short briefing. However, I must stress that for me, to see this day after 50 years of exile, is simply something that I almost did not expect and did not believe I would see. Let us all remember that this is a result of the fact that Bulgaria is marching toward democracy and you are free. The freedom is the most precious thing you have. [end recording]

Simeon Saxe-Coburg Gotha politely declined to answer all questions related to the Bulgarian political institutions.

A short while ago at Hotel Intercontinental, a meeting began between Simeon Saxe-Coburg Gotha and the intellectuals who invited him. An incident took place during the commotion. Georgi Takov, a journalist known for his monarchist convictions and one of the visit's organizers, was beaten up by the bodyguards.

So far we have no information regarding incidents and serious violations of public order.

The Central Council of War Veterans issued a declaration in which it expressed concern with the opinions of the people who organized the visit and the manner in which the visit was organized. Bulgaria's Constitution stresses that we are a republic, and this fact must not be ignored, the declaration reads.

The Silistra Communists express a similar position. They assess Simeon Saxe-Coburg Gotha's visit to Bulgaria as a restoration of the monarchy.

Bulgaria: Popular Reaction to Simeon II's Visit Analyzed

AU2705134296 Sofia KONTINENT in Bulgarian
27 May 96 p 4

[Commentary by Valentin Stoev: "Circuses Without Bread"]

[FBIS Translated Text] Against the background of the bread shortage, the first two days of Simeon II's visit to Bulgaria was virtually a paraphrase of the maxim "Bread and Circuses": "Circuses without Bread." It would be most unfortunate if it turns out that the politicians, and,

above all, the rulers, hoped that the circuses, which they definitely did not expect, were to divert the public's discontent over the bread, albeit temporarily.

While the main events of the royal visit still lie ahead, we can already draw several conclusions:

The Bulgarian politicians very thoughtlessly underestimated the former monarch. They did not understand at all that, with their total incompetence over the last six years, they have increased the royal "electorate" to a quite unforeseen degree.

—The electorate again demonstrated that it needs circuses, and that circuses can keep it busy and happy. The fact that the very same morning the same electorate stood in line for hours for bread made no difference. (On the other hand, perhaps this made the circuses even more necessary!)

—So far everything is going well for Simeon II. He has succeeded in moving even the diehard republicans with his genuine excitement on his arrival and his purely human reactions. However, what about tomorrow, or the day after, or next month? Emotions, regardless of how moving they might be, are fleeting, and then one expects a continuation. Thus the next move is the king's! But what is he going to do?

Politicians, please note that in Sofia alone some 500,000 people greeted the former king. Do not be surprised if in a while they greet their current king....

Bulgaria: Zhelev's Call for Presidential Republic Viewed

AU2805112496 Sofia KONTINENT in Bulgarian
28 May 96 p 4

[Commentary by Genka Markova: "Another Illusion"]

[FBIS Translated Text] Yesterday, President Zhelev announced that only the Presidency could lead the country out of the major current crisis. According to him, this is the formula by which one could make a sharp but healing turn, in order to avoid dictatorship.

The current crisis has many facets, but one is especially concerned with the great number of voices that see a solution in the power methods, power mechanisms, and extraordinary prerogatives that are close or identical to dictatorship. Yesterday, Andrey Lukanov also joined those voices, and accepted the logic of the power approach to resolving the current crisis. Zhelev's statement is, therefore, not a contribution to the theory and practice of state governing, but rather a dramatic conclusion regarding the contradictions vested in our Constitution, and experienced personally by Zhelev. Obviously, Zhelev is launching the idea in order to gain more points

in the upcoming presidential primaries. From this point of view, his move was tactically miscalculated, because instead of producing a public discussion it could fade away as an election trick, or bomb out as a preelection illusion, rather than being viewed as a rational variant for overcoming the crisis.

The president is right when he says that there is a construction flaw in the state machine, as vested in the Constitution. The Constitution conceived a balance, stability, and continuity in political life through the division of powers. However, what we have in practice is a controversy and vacuum in the institution of power. Whether the country should have waited until the last moment to deal with this issue is a different matter.

The only thing we know with certainty is that under dictatorship there is no choice, and no illusions.

Bulgaria: Call for Presidential Republic Ridiculed

AU2805125896 Sofia DUMA in Bulgarian
28 May 96 p 7

[Commentary by Dora Chichkova: "Presidential Republic Is More Than Zhelev Can Chew"]

[FBIS Translated Text] The parliamentary republic is a democratic institution, but it is too democratic for the transition. President Zhelev discovered in his election campaign. Therefore, he requested the establishment of a presidential republic. He thinks that only such a republic could lead the country out of the crisis. Otherwise, one should not be surprised if the Bulgarian Socialist Party (BSP) utilizes the raging crisis in order to keep power in its hands through a dictatorship, the head of state is suggesting, again, in his election campaign.

The head of state will not plan on making himself a dictator during his election campaign. However, after the elections he would struggle to amend the Constitution, because the current construction of power

in Bulgaria is erroneous, "and the structure of the state leadership also is erroneous."

However, the president and simultaneously candidate for president is not saying how the political forces will agree to amending the Constitution against the background of this "erroneous structure." And what about the crisis, which must be eliminated as soon as possible (not through a dictatorship, God forbid, but through a presidential republic)? Perhaps the efforts to resolve the crisis must be postponed until the procedure on amending the Constitution is completed, and perhaps until the president is elected. The president did not elaborate, because this does not appear to be important.

What is important for Mr. President and Presidential Candidate is his second mandate, even if this is achieved at the expense of resolving the crisis and to the detriment of the political forces, which he continues to divide into democratic and undemocratic. Naturally, he used his own criteria and ad hoc presidential whims for this. Perhaps this is how he imagines the "rallying" of the nation and the powers, something he mentioned in his 27 May preelection radio interview.

Actually, how Zhelev contributes to "rallying" the powers can be seen excellently in their deep division during his presidential mandate. In this matter, the gentleman is as consistent, as he was when he denied Simeon's moral and political right to return to Bulgaria, and now finds this "a very natural and logical matter."

It appears that the Union of Democratic Forces (SDS) borrowed the worst elements of the Bulgarian Communist Party, and the BSP the worst elements of the SDS, and Zhelev, who in the past was a member of both the Bulgarian Communist Party and the SDS, borrowed what he could from both parties. Then why is he supposed to be the nation's cure-all?

Czech Republic: Canadians, British Disagree Over IFOR

AU2405142796 Prague MLADA FRONTA DNES
in Czech 24 May 96 p 3

[Report by "(gag)": "Disagreements Are Breaking Out Because of the IFOR Battalion"]

[FBIS Translated Text] Prague—Despite the fact that the Americans, British, and Canadians describe the Czech IFOR [Implementation Force] battalion in Bosnia as one of the best units in the international forces, disagreements are emerging regarding its deployment in the Balkans.

Canadian General Bruce Jeffries, in whose brigade it is incorporated, has underlined the outstanding capabilities of the Czech troops several times. At the same time, however, Jeffries's staff does not like the rather disparaging attitude of the higher ranking British division toward the needs of the Czech battalion—namely, to this day, the British have not thought it fit to relocate the staff of the Czech contingent, which is commanded by General Jiri Sedivy, to their division and have left it in partial isolation in Zagreb. The conduct of the British is also incomprehensible to a senior officer in the IFOR international forces. "The Czechs have detained arguably the most armed men. The number of machine guns and semiautomatic weapons they have seized in the separation zone far exceeds the average of the other units. That is, they do not mollycoddle anyone who violates the peace accords, while other IFOR soldiers sometimes turn a blind eye," said the officer.

Gen. Jeffries has said that, if the Canadian brigade is considered the best in IFOR, it has the Czechs to thank for this.

The inspector of the ground forces, General Karel Kuba, said last week that it is inappropriate to talk about certain of the IFOR battalion's problems in front of journalists. But he did confirm that the staff of the Czech IFOR contingent in Zagreb has fulfilled its role and is returning home. "Only the head of the Czech section will remain at the headquarters of the British division," Kuba added.

According to a report by the defense minister, the costs of the IFOR battalion's deployment in Bosnia will be exceeded by 83 million korunas [Kc]. The government earmarked Kc1.0 billion for this mission, and a further Kc250 million came from the Army's budget. "Another sum will also come from there," said a General Staff officer who does not wish to be named in case he is accused of releasing information prematurely.

Czech Republic: Uhde, Slovene President Discuss NATO, EU

LD2405153396 Prague Radiozurnal Radio Network
in Czech 1000 GMT 24 May 96

[FBIS Translated Excerpt] The state visit of Slovene President Milan Kucan to the Czech Republic is continuing today. Martin Dorazin reports:

[Dorazin] President Kucan met with parliament Speaker Milan Uhde this morning. Their conversation concerned, above all, the prospects of the Czech Republic's and Slovenia's entry to NATO and the EU. The two politicians agreed that it is not necessary for all prospective members to try to be admitted simultaneously. The entry of one or two countries will show the others that this path is open to other states, Milan Uhde said. [passage omitted]

Czech Republic: Klaus Angered by Waigel Statement on Sudetens

LD2705105896 Prague Radiozurnal Radio Network
in Czech 0900 GMT 27 May 96

[FBIS Translated Text] Czech Prime Minister Vaclav Klaus has expressed his indignation over a statement by Theo Waigel, CSU [Christian Social Union] chairman and German finance minister, on the necessity of a dialogue between the Czech Government and the Sudeten Germans. Commenting on his reaction for Czech Radio, Klaus said:

[Klaus] Look. I am used to hearing such things, and I am not surprised by them. When asked by hundreds and thousands of our citizens about these things, I attempt to calm everybody down by telling them that it is [Sudeten German Landsmannschaft chairman Franz] Neubauer or other Sudeten German Landsmannschaft officials speaking. They are better known here than they are in Germany because some of our media make much more of them than at home.

This is what I am telling our citizens and asking them not to be fearful, not to be so alarmed. However, this was the German finance minister speaking, not Mr. Neubauer; it was a key German politician, and this is why I have reacted more forcefully.

Czech Republic: Zelenec Rejects German Advice on Democracy

LD2705142596 Prague Radiozurnal Radio Network
in Czech 1200 GMT 27 May 96

[FBIS Translated Text] The Czech Foreign Ministry issued an official statement today on the 47th Congress of the Sudeten German Landsmannschaft. Commenting

on the statement, Foreign Minister Josef Zieleniec told Czech Radio:

[Begin Zieleniec recording] As everybody knows, we are currently engaged in talks with the German side. The German Government is our only partner in these talks. Despite all of the statements made by German or Bavarian government officials during the Sudeten German Day this year, I think that great progress is being made in these talks, and I feel that many German politicians want to complete this process successfully as soon as possible.

At the same time, I would like to comment on the fact that views were expressed in Nuremberg that the Czech Republic should recognize the European legal and value system. I really dislike hearing somebody claiming that Germany has the patent or the monopoly on knowing what the European legal and value system is.

Our democracy is not a gift we received from the outside. It is a democracy we ourselves brought about. It is a strong democracy, and we do not need anybody giving us advice of this kind. [end recording]

Czech Republic: Klaus: Companies Ready To Help FRY Recover

LD2805110996 Belgrade TANJUG in English
1042 GMT 28 May 96

[FBIS Transcribed Text] Belgrade, May 28 (TANJUG)—Czech companies are ready to help recover the Yugoslav economy and set up cooperation with Yugoslav partners in all spheres, Czech Prime Minister Vaclav Klaus has told the Belgrade EEC (EUROPEAN ECONOMIC CONNECTION) magazine.

Klaus said Prague had backed and welcomed the suspension of the [word indistinct] Security Council sanctions against Yugoslavia, because he said this helped resolve the Yugoslav crisis from within and enabled a normal development of economic ties between the two countries.

Both countries' administrations have to speedily determine conditions for intensive economic cooperation and must try to remove obstacles that still exist, Klaus told EEC, a privately-published magazine.

Asked in what spheres it was possible to establish cooperation first, Klaus listed power industry, transport and exploitation of resources. He said talks on cooperation in these spheres had already resulted in concrete projects.

Klaus also said he believed the Czech Republic's experience regarding the transformation of the economy

and in particular the privatisation, could be of interest to Yugoslav companies.

Czech Republic: Havel Appeals to Voters Before Elections

LD2605140396 Prague Radiozurnal Radio Network
in Czech 1215 GMT 26 May 96

[Weekly interview with Czech President Vaclav Havel by Eva Hulkova; place and date not given—from the "Conversations at Lany" program; recorded]

[FBIS Translated Excerpt] [Passage omitted] [Hulkova] [Passage omitted] These Conversations are the last before the elections and offer you, the president, the last opportunity to address the Czech electorate of 1996.

[Havel] I firmly believe that the voters will in the end vote for the parties that intend to continue all of the transformation processes we have already embarked upon, that want to complete them wherever they have not yet been completed; for the parties that behave in a reasonable and deliberate way, with a sense of proportion; for those that do not succumb to simplistic ideological designs or various types of fundamentalism. I believe that they will not vote for extremist parties.

I firmly believe that the Czech citizens will once again show their wisdom, that the elections will end well, that shortly after the elections a new government will take over and that this will be a stable government.

[Hulkova] [Passage omitted] What would you tell those who still have not made up their minds?

[Havel] It is high time for them to decide.

Czech Republic: Commentary on 'Balkanization' of Slovak Politics

AU2405140296 Prague MLADA FRONTA DNES
in Czech 23 May 96 p 12

[Commentary by Lubos Palata: "The Journalists Are Not Damaging Slovakia"]

[FBIS Translated Text] Slovakia is an unstable country. However, this is not the fault of the opposition or journalists, which is what Slovak Information Service Director Ivan Lexa declared yesterday, but of the ruling team and Lexa personally. The more the evidence points to the involvement of the secret service in the kidnapping of President Kovac's son and the subsequent manipulation of the investigation by government bodies, the greater the caliber of the—not only—political weapons used by Cabinet representatives.

The insufficiently supported allegations against the Slovak president and the opposition concerning their

involvement in very serious crimes, which are spread around not only by the mass media manipulated by the government, but also by ministers, are an everyday thing in Slovakia. The daily press and radio stations that remain independent, unlike public-service television and radio, are denounced as agents of foreign intelligence services and traitors to Slovakia.

The opposition, roused by the government's arrogant use of power, does not always proceed in a well-considered manner, either, but the question is whether this is at all possible in the situation that Meciar's team has created in Slovakia.

Faced with mounting evidence of illegal activity by the secret service and the Interior Ministry, Meciar, instead of trying to normalize the situation, is calling for an even tougher form of retaliatory strikes.

At the same time, the Balkanization of political life threatens not only the country's internal stability, but, first and foremost, its international position. If the prime minister does not want to thwart Slovakia's chances of integration into NATO and the EU, he should at long last place the interests of his country above those of his incapable, but capable of anything, ministers. That is, in the coming months, the alliance and *sui generis* also the EU will decide on their enlargement. If the government continues to treat democratic freedoms as it has done until now, there is no place for Slovakia in European structures.

If Meciar wants to prevent this ominous development, possibly his last chance could be at least to dismiss Lexa as head of the secret service—if not for the unlawful things he has done, then definitely for incompetence.

Slovakia: Prime Minister Meciar Interviewed

LD2405221996 Bratislava Rozhlasova Stanica
Slovensko Network in Slovak 1638 GMT 24 May 96

["Regular" interview with Slovak Prime Minister Vladimir Meciar by correspondent Martin Dobos; place and date not given—recorded]

[FBIS Translated Excerpt] [Dobos] The report on the activity of the Slovak Intelligence Service [SIS] was presented in parliament in a rather unusual, stormy atmosphere. Many people expressed in various forms their concern—and this happened not only in parliament—that the Secret Service could be misused by the government. On the other hand, there were also concerns about the setting up and the activity of illegal intelligence bodies [spravodajské struktúry]. Mr. Prime Minister, what can be done in this situation so that citizens are not left in uncertainty?

[Meciar] When people asked me during the election campaign who or what they should trust and what they should rely on, I told them to trust themselves and to rely on themselves. As a result, the state institutions will have to respect the citizens and they will have to guarantee that they will act for the citizens' good.

It was proved in parliament in 1995 that the Secret Services had been misused against the Movement for a Democratic Slovakia [HZDS], against the speaker, and against me personally. The head of state shared responsibility in that misuse of power. In my case, they had planted one person in my bodyguard unit, one in the Control Department of the Government Office, one in my personal entourage, and the fourth one in our election team. It was quite something. I know the names and faces of these people. In spite of that, the opposition did not deem it necessary to deal with the situation as it concerned someone else. In a similar way, the Secret Service was working against the speaker.

As soon as we begin to rectify the situation—not only with respect to the abuse of the Secret Service, but also because many things were spoiled in the process of setting up the service—there is an uproar and struggle for the SIS. This struggle is deeply rooted in the fight for the disintegration and destruction of state bodies, in particular the intelligence service, the police, and partially the state administration and the judiciary. Every government has a duty to support these institutions and to protect their independence.

The setting up of illegal [intelligence] services is not a novelty. There are such services in several other countries. It is a phenomenon that is accepted as a more or less inevitable wrong. It is not talked about. There is something similar on our territory and (there is no

system of protection against it or, at least, we did not have one so far). It is also an activity that is hidden from public view. If it were conducted publicly it would be worthless. It is not traditional espionage any longer, it is rather an activity consisting of collecting, analyzing, and evaluating information.

It is therefore not in line with democracy when political parties begin to set up bodies based on principles used in intelligence and policing [spravodajsko-polícajny princíp]. We can see at present that the Christian Democrats are building such an intelligence and policing structure. I would only like to recall that in 1994, when there were rumors that the HZDS had something similar—although we never had such a structure—the then prime minister came forward with a proposal to abolish the party on the grounds that it was violating the law. I am not suggesting that we are going to do the same thing, but one must clearly say that police-intelligence methods of political parties warp their own policies. [passage omitted]

I believe that the activity of these groups should be checked to see whether it is in line with the law. I will personally initiate such verification. [passage omitted]

[Dobos] [passage omitted] Your spokeswoman has said that you will not comment on the kidnapping of Michal Kovac Jr. abroad until the investigation of the case is concluded. This week its investigator, Major Jozef Ciz, decided not to continue his investigation and to shelve the case. Has the time come for you to comment on the case, which continues to attract attention?

[Meciar] As far as the investigation is concerned, no decision on its result has been made. The case was shelved because of a total lack of the evidence necessary to start criminal proceedings against anybody, and because of doubts whether what took place was in fact a crime. [passage omitted]

To put it mildly, the Slovak Government was taken by surprise by the propaganda, the event itself, and by its presentation, and for this reason we did not react immediately but looked for the evidence in the case. Later on we gained information allowing me to draw several conclusions.

First, the Slovak president was aware that something concerning his son was being prepared, but he did not intervene to stop it.

Second, the Slovak president hampered and influenced the investigation, acting jointly with some other persons who are suspected of having committed crimes.

Third, now that the Technopol case and the so-called kidnapping are being investigated in parallel, a direct

link between these two cases has been proved. [passage omitted]

Taking these facts into account, the government has made decisions in two areas:

First, to show that the law rules in our state, nobody, not even the head of the state, should be allowed to influence and hamper the investigation. The government itself is not involved in such activities.

Second, we decided on the need to guarantee that the entire investigation is carried out in a proper manner, to be seen as such on both the domestic scene and abroad, in order to prevent the political destabilization of our state and government. In the period in question there were several attempts at destabilization. We did not make these facts public, and even now we are not making the details public as we take into consideration public opinion [words indistinct], but if the presidential office accuses me once again of not telling the truth, I will approve the declassifying of all the documents designated as strictly confidential by the president.

[Dobos] According to preliminary data provided by the Slovak Central Customs Administration, in April 1996 Slovakia's trade deficit doubled compared to March of this year. This shows that after many months of favorable development, our deficit currently continues to grow. Mr. Prime Minister, what are in your view the causes of this development and to what extent should these facts be seen as a warning?

[Meciar] Our deficit is 21.5 billion [currency not specified]. Our exports are not falling, they are still growing, though at a slower pace than last year. However, these 21.5 billion include several claims.

First, we have written off 6 billion crowns that are shown as an income on the customs balance sheet—although in fact it is writing off old debts.

Second, we have offered our citizens assistance in buying cars, by lifting duty on imported cars of up to 1500 cubic centimeters. This measure is in force for one year. [passage omitted]

Next, in deciding to complete the Mochovce nuclear power station we have so far imported material and other things worth 3.7 billion crowns. [passage omitted]

In 1997 we expect the import of technology to grow because of major investment projects such as the Slovnaft oil refinery project, worth 30 billion [currency not specified]. However, this is desirable because we are not talking about direct consumption, it is an import that will in turn enable us to increase the creation of added value and make more use of it on the market.

This is why in March the government adopted a number of measures to improve the starting position—and I do not want to mention any by name—to improve our position on foreign markets and speed up our progress in this sphere that is not currently as fast as it was last year. I think we will manage to implement this step and follow this trend.

[Dobos] The law on the territorial and administrative division, which was returned to parliament by the president, is to be debated together with the so-called law on the powers of administrative units [kompetenčný zákon] at the June parliamentary session. The possibility of having this law assessed by the Constitutional Court is still open. The law was to come into force on 1 July. How realistic is this date now? What could be the consequences of the slowing down of this state reform?

[Meciar] The returning of the law was neither rational nor legal. It was rather an attack on the feelings of the citizens of Bratislava, telling them—defend your town, something is being done against it. [passage omitted]

Regional-level administrative units will be set up relatively quickly because these are new units. District-level units will be set up gradually. [passage omitted] The setting up of all institutions should take three years. It will involve an extensive process of handing over of powers, i.e. decentralization and democratization of public administration. It is our aim that the self-administrative units will be established at the regional level within two years—and I underline, at the regional level only. [passage omitted]

I do not think that the speed of the process is endangered, even though, naturally, it would be better if there was no nervousness about it. The National Council has adopted the law on administrative and territorial division. The issue is merely whether it will or will not accept the proposals or objections raised by the president. In my view, there is sufficient political will to bring this process to an end so that after six years of searching, uncertainty, and hesitation, the administrative reform in Slovakia can be completed.

Slovakia: Russian Bank Lends \$80 Million for Nuclear Plant

AU2405182096 Bratislava NARODNA OBRODA
in Slovak 24 May 96 p 7

[Report by Blazej Panik: "Agreement on Provision of an \$80-Million Loan"]

[FBIS Translated Text] Moscow—Vladimir Masar, governor of the National Bank of Slovakia [NBS], signed with the Russian Vneshekonombanka an agreement on the provision of an \$80 million loan for the completion

of the Mochovce nuclear power plant in Moscow yesterday.

Of the total volume, \$50 million is a financial loan and \$30 million is a credit for equipment supplies. As NBS Governor Vladimir Masar told NARODNA OBRODA, it is a loan with very favorable interest rates close to the LIBOR [London Interbank Offered Rate]. At the same time it is a government loan, that is, a loan extended to the Government of the Slovak Republic. The foreign exchange will be transferred to the NBS account. "It can thus be said that this loan will also directly support our foreign exchange reserves," Masar said.

While in Moscow yesterday, the NBS governor also met Sergey Dubynin, the new governor of the Russian Central Bank. They discussed, above all, the form of payments, with a view to supporting trade exchange between the Slovak Republic and the Russian Federation. This as yet unsolved problem represents for Slovak manufacturers a serious obstacle in trying to gain access to the Russian market and significantly contributes to the high deficit in the Slovak Republic's balance of trade with the Russian Federation.

Slovakia: Exercise Held To Train Response to Nuclear Accident

*AU2405150996 Bratislava PRAVDA in Slovak
23 May 96 pp 1-2*

[Article by Olga Prekopova: "Bohunice Will Never Be Chernobyl"]

[FBIS Translated Text] The situation appeared to be dramatic, though everything was just "pretend." On Tuesday [21 May] at 2200, an extraordinary operational incident was simulated at the V2 nuclear reactor at Jaslovske Bohunice, involving the leakage of radiation outside. At 0430 in the morning the Slovak prime minister was informed and, based on his decision, an emergency commission of the Slovak Government Office and the State Defense Council began to operate. On Wednesday morning a crisis staff also went into operation at the Nuclear Surveillance Office [UJD] of the Slovak Republic.

Within the framework of this first joint antiaccident exercise of the UJD and the Army of the Slovak Republic, the PRAVDA correspondent was a member of the information group. Ours was the only daily directly present at the simulation of the extraordinary incident in the nuclear power plant and during the elimination of its consequences. The State Defense Council was represented by its secretary, Colonel Frantisek Blazarik, director of the Defense Department at the Slovak Government Office.

Almost Like Real

The activity in the UJD Crisis and Control Center and at the General Staff of the Army of the Slovak Republic in Trencin was hectic. At 0935, the first faxes were dispatched from the UJD announcing the exercise to states with which the nuclear surveillance authority has concluded bilateral agreements (Czech Republic, Hungary, Austria, and Germany) and to other neighboring countries. The Office of the President of the Slovak Republic, the Slovak Government Office, key ministries, and the Civil Defense staff at the Ministry of Interior of the Slovak Republic also received information about the simulated accident. Vladimir Sladek, national INES [International Nuclear Events Scale] coordinator, sent a report to the International Atomic Energy Agency [IAEA]. Ten minutes later, the Hungarian side was the first to confirm the receipt of information, followed by the Czech Republic, the IAEA, and other domestic and foreign addressees.

In eliminating the fictitious operational incident at the V2 nuclear power plant, one was fighting for minutes and seconds, as if the accident were real. According to information from the commander of the exercise, Igor Moravcik from the UJD, the simulated situation at the wrecked unit was normalized, and the fictitious leakage to the hermetic space paralyzed, at 1000. However, the simulated radiation continued to escape from the hermetic zone to the outside, although the representation of radionuclides in the escaping substances had not changed since 0900.

The wind was blowing yesterday in a southeastern direction at a speed of 4 meters per second, at an altitude of 10 meters above the ground (this is actual data from the Slovak Hydrometeorological Institute). Based on the calculated movement of the radioactive cloud, the participants in the exercise proposed shelter and preventive administration of iodine to residents within 10 kilometers of the nuclear power plant. Evacuation was not necessary.

Although yesterday's simulated incident at the V2 nuclear power plant was programmed at a level that was 50 times lower than the level of radiation leaked in the wake of the Chernobyl accident, it is necessary to emphasize that the nuclear power plant at Jaslovske Bohunice is designed so that it cannot explode like a nuclear bomb, and an accident similar to the one at Chernobyl can never occur there. "The first joint exercise of the UJD and the Army of the Slovak Republic tested the readiness of the UJD Crisis and Control Center, the Radiation Center of the General Staff and the Army of the Slovak Republic, and the information and warning system in the vicinity of the

Jaslovske Bohunice nuclear power plant. The level of information about the real state of the radiation situation and the methods of standardizing the evaluation of this situation after the nuclear power plant accident have been tested as well," UJD Chairman Jozef Misak told PRAVDA yesterday. The joint exercise of the UJD

and the Army of the Slovak Republic, which will end with its evaluation today, is part of the "Main Tasks in the Sphere of Defense, Security, and Protection of the Slovak Republic for 1996."

Hungary: Kovacs, Eorsi Assert Unity in Foreign Affairs

AU2405140396 Budapest MAGYAR HIRLAP
in Hungarian 23 May 96 pp 1, 3

[Unattributed report: "Kovacs and Eorsi on the Control of Europe Issues—The Coalition Has Made All Decisions"]

[FBIS Translated Text] Hungarian Foreign Minister Laszlo Kovacs of the Socialist Party [MSZP] and parliamentary Foreign Committee Chairman Matyas Eorsi of the Alliance of Free Democrats [SZDSZ] unanimously believe that the SZDSZ has not been pushed to the periphery in Europe issues, as was claimed in MAGYAR HIRLAP's 22 May issue by an SZDSZ source who did not wish to name himself. At the same time, Eorsi emphasized that more frequent coordination would also be needed on foreign policy issues in the coalition.

Kovacs sent his remarks on the article by fax from Paris.

1. The government's integration cabinet and the government agreed that an organization should be set up in the Foreign Ministry [KUM] to coordinate the performance of tasks related to Hungary's Euro-Atlantic integration and preparation. The SZDSZ interior minister, as a member of the integration cabinet, and all the Free Democrat ministers at the government session agreed with this. The idea of setting up a separate Europe issues ministry was rejected before. It has not been suggested that the new section in the Foreign Ministry be placed under separate political control. It is therefore not a question, either, the MSZP or SZDSZ nominating someone to head this. The integration state secretariat functions as a part of the Foreign Ministry under the supervision of the Socialist minister and Free Democrat political state secretary, just as any other part of the Foreign Ministry.

2. There was no "preprogrammed competition" between the Foreign Ministry and the Industry and Trade Ministry [IKM]. It is true that it was not easy to change the formerly dual-centered (KUM and IKM) coordination to a single center system, and to transfer the IKM's Office for European Affairs to the Foreign Ministry, because this kind of step affects the lives of many people. However, I am convinced that this has been solved to the satisfaction of all affected people and to the benefit of the cause.

3. It is true that some of the European Union's 15 member states have Europe issues ministers who deal with integration within the foreign ministry, and are subordinated to the foreign minister. However, in this case there is no political state secretary appointed on a

party basis. It would not have been logical to deviate from the established Hungarian structure in the case of a single ministry, either by creating a new political office, thus limiting the role of the political state secretary, or by ending the political state secretary position and creating a higher level (ministerial) position instead, with a narrower range of tasks limited to the supervision of integration issues.

4. At ministerial-level conferences of the Euro-Atlantic organizations the foreign minister will continue to represent Hungary in the future, too. If he is unable to attend, then the political state secretary or the integration state secretary will represent Hungary. According to general practice, the delegation leaders are always given a chance to speak, whether it be the foreign minister, a Europe minister, or a state secretary.

5. The strategic working group led by Andras Inotai is subordinated to the integration cabinet led by the prime minister rather than to the prime minister, and the Free Democrat interior minister, the prime minister's coalition deputy, is a member of this cabinet. Considering that all important issues of integration come before the cabinet, and the important decisions are made in the government, with the participation of the Free Democrat ministers, the statement that the SZDSZ "has been pushed to the periphery in Europe issues" is unfounded.

6. In the cooperation between the coalition partners, as everywhere in the world, differences of opinion do emerge and debates do occur. It is important to solve these in a European way, in accordance with the country's interests. However, the control of integration issues and, generally, foreign policy are not disputed issues.

Eorsi believed that, in connection with the problem raised in the MAGYAR HIRLAP article, the SZDSZ has never had and still has no opinion.

The SZDSZ source in the 22 May MAGYAR HIRLAP objects to the fact, among others, that the leadership of the recently established Europe integration state secretariat was not given to the SZDSZ, and the party is getting pushed into the background in European issues. Eorsi said that they could not have been pushed to the periphery from anywhere because these positions had not existed before. He added: "The Foreign Ministry's political state secretary is Istvan Szent-Ivanyi, and I am the chairman of the foreign committee, as SZDSZ politicians, and therefore we feel that we have an influence on directing Hungarian foreign policy and can justifiably trust that this guides Hungarian foreign policy in a positive direction, and adequately serves the implementation of our integration and other foreign policy goals."

According to Eorsi, Ferenc Somogyi, head of the integration state secretariat, has the full confidence of the SZDSZ. "A government decision was made on the integration state secretariat, and at the government session the SZDSZ politicians did not object to this structure and did not veto it," Eorsi said. Nevertheless, he thought that foreign policy coordination between the two coalition parties could be better than it is at the moment. "We have some reservations in this area," he said.

"It is in Hungary's interest for foreign countries to clearly see that the executive committee has a coalition government. Unlike what happened in some other countries of the region, in Hungary the Socialist Party, which was victorious in the elections, made a coalition with the party of the former opposition, and I feel that this should be emphasized for foreign politics," he noted, adding that politicians who deal a lot with Hungary are aware of this but articles published abroad often describe Hungary as a country run by postcommunists. "This does not do any good to us because, when the decision is made on Hungary's EU or NATO membership, many representatives will only have gained their information from newspaper articles. I see that more can be done to emphasize the coalition character of the Hungarian Government. This can be done through regular coordination and, naturally, it is also important which politicians run the various areas. However, this need cannot be translated to the various positions," Eorsi told MAGYAR HIRLAP.

Hungary: Socialist Party Elects National Executive
LD2505221996 Budapest Kossuth Radio Network
in Hungarian 1600 GMT 25 May 96

[FBIS Translated Excerpt] The Hungarian Socialist Party [HSP] has elected the new leaders of its national

executive [valasztmany]. Katalin Peli Nagy reports from the HSP headquarters.

[Begin Nagy recording] Gyoergy Wiener has been reelected as deputy chairman. Apart from Bela Pal, he was the only one among the current deputy chairmen to retain his post. Laszlo Kocsi and Mrs. Juhasz nee Katalin Levai were elected as deputies to the chairman of the national executive, Ferenc Baja. [passage omitted]

The executive debated and then adopted reports on the activities of the government, the presidium and the parliamentary group of HSP deputies. It also amended its organizational and operational statutes. One of the most important changes involved the creation of various working groups, which will also invite the participation of outside experts.

The executive also adopted a resolution today calling on deputies of the two governing coalition parties to ensure, without fail, the parliamentary adoption of important bills on the coalition's agenda. [passage omitted]

Last week's National Assembly session had been another occasion when there was no quorum and the session could not even adopt its own agenda. [end recording]

B-H: Izetbegovic Assured of British Support for Unified Bosnia*LD2405223396 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 24 May 96*

[FBIS Translated Excerpt] Alija Izetbegovic, president of the Bosnia-Herzegovina Presidency, held talks this evening with British Prime Minister John Major, who is visiting our country. They discussed the implementation of the Dayton agreement. Prime Minister Major stressed, among other things, his support for the integrity of Bosnia-Herzegovina. After the meeting, President Izetbegovic and Prime Minister Major addressed journalists. Mehmedalija Sisic has a report:

[Sisic] President Alija Izetbegovic was the first to tell journalists what had been discussed:

[Begin Izetbegovic recording] I explained to Mr. Major several issues we are facing in the implementation of the Dayton agreement. I reminded him that the Dayton agreement contained both negative and positive elements, and we fear that some negative elements of the Dayton agreement are becoming increasingly prominent. This is causing fear among our people of a possible development that could lead to a disintegration of the country.

I asked Mr. Major to confirm Britain's commitment to preserving Bosnia-Herzegovina as a unitary country and to give full support to the Hague tribunal in its efforts to track down and punish war criminals. We have heard that the tribunal has financial problems. I asked Mr. Major to help it overcome these problems. And, of course, I pointed to the problems created by the fact that there is no freedom of movement and that refugees cannot return to their homes. In our opinion, these facts cast doubt on the holding of free and fair elections.

I can say that, during my brief talks with Mr. Major, I was assured that Britain supports the unity of Bosnia-Herzegovina, firmly supports the work of the tribunal, and that it will do everything it can to ensure an effective pursuit of war criminals, freedom of movement, and the return of people to their homes. I said that under these conditions we were committed to holding free elections in September. But conditions for that must be ensured. After these talks, Mr. Major will have talks with our government (?representatives). [end recording] [passage omitted]

B-H: Izetbegovic Appeals for Punishment of Tuzla Massacre*AU2505193196 Paris AFP in English 1907 GMT 25 May 96*

[FBIS Transcribed Text] Sarajevo, May 25 (AFP)—President Alija Izetbegovic appealed Saturday [25 May] for the international community to punish those responsible for a shelling attack that killed 71 people and wounded 124 in a Bosnian town one year ago.

Bosnian Serb forces were blamed by the UN peacekeeping forces in Bosnia at the time for the shelling of a cafe district in Tuzla, northern Bosnia, on May 25, 1995.

Most of the 71 people who died that day were young people out for a drink at a popular cafe on one of the first hot evenings of the summer.

In an address to Bosnian radio, Izetbegovic, who was said to have been profoundly shocked by the shelling, appealed to "leaders of the international community not to let this shocking crime remain unpunished."

"It was a terroristic attack on a city which was heroically resisting aggression," he said.

Ceremonies were taking place in Tuzla to mark the first anniversary of the shelling, one of the worst such massacres during the nearly four-year Bosnian war.

B-H: Zubak: Bosniaks Against Any Agreement on Federation*AU2805161296 Hanau NOVA BOSNA in Serbo-Croatian 28 May 96 p 5*

[ONASA report on statement by Kresimir Zubak, president of the Federation of Bosnia-Herzegovina; place and date not given: "Claims to Bosnia"]

[FBIS Translated Text] Zagreb, 27 May (ONASA)—Kresimir Zubak, president of the Federation of Bosnia-Herzegovina, stated that "the Bosniaks are against any agreement on the Federation of Bosnia-Herzegovina. The Muslims are unlikely to accept the concept of Bosnia-Herzegovina envisaged by the Dayton and Washington agreements." He believes that "it (the concept of Bosnia-Herzegovina) is totally opposite to their (Bosniak) political concept, according to which they want Bosnia-Herzegovina decentralized into regions in which the authorities would adopt the method of decisionmaking based on a majority vote."

"Now they would like to make such a state out of the Federation, so, instead of cantons, they would create regions. We shall not allow this to happen," President Zubak said.

Zubak also stated that "the Muslims, for the most part, have succeeded in enforcing the attitude that Bosnia-Herzegovina is their state," whereas the other two peoples have their respective mother-countries.

"We have to work so as to counter this trend. Bosnia-Herzegovina is historically a state created by the Croats. Likewise, it should be clear that we gave life to the modern state of Bosnia-Herzegovina by taking part in the referendum. It would be quite wrong if we renounced the state that we ourselves created. Bosnia-Herzegovina and Croatia are our two fatherlands. This one here is our homeland, while we have permanent ties with Croatia," President Zubak said.

B-H: Bosnian Army Arrests 2 Croat Policemen, 6 Soldiers

LD2605174696 Mostar Croatian Radio Herzeg-Bosnia in Serbo-Croatian 1600 GMT 26 May 96

[FBIS Translated Text] While civilians are being arrested in Mostar, our correspondent Sanja Benson unfortunately reports that members of the police force of the Croat Republic of Herzeg-Bosnia have been arrested in Kiseljak, more precisely in Fojnica:

Two members of the Ministry of Internal Affairs of the Croat Republic of Herzeg-Bosnia, Fojnica police station—Mato Baresic and Branko Cvitan—were arrested in the village of Alaupovka, the municipality of Fojnica, in an area controlled by the Bosniak [Muslim] authorities, around 0610 on 25 May. The two policemen were traveling in their Citroen car from Gojevici, where the police station is based, to Kiseljak, after finishing the night shift.

At the time of the arrest, the policemen were wearing the official uniform of the Ministry of Internal Affairs of the Croat Republic of Herzeg-Bosnia; they were arrested by members of the military police of the Bosnia-Herzegovina Army.

Immediately after the described incident, members of the Bosnian military police stopped two more personnel vehicles with Herzeg-Bosnia registration plates, in which six members of the 3d Guards Brigade Jastrebovi [Hawks] were traveling—Josip Vucic, Slavko Stanic, Alojzije Kapetanovic, Miljan Knezevic, Dobro Tuka, and Roland Briski—also from Gojevici to Kiseljak.

After stopping the car, members of the Bosnian military police told the guards they were under arrest and ordered them to follow their vehicle. All those arrested have been taken to the village of Banja to a house owned by Franjo Babic.

Members of the Bosnia-Herzegovina Army who were carrying combat-ready long arms told them they were

hostages and were under arrest because three soldiers of the Bosnia-Herzegovina Army had been arrested in the area of Kiseljak on 20 May this year.

B-H: Turkish PM Promises Continued Assistance to Bosnia

AU2405192496 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 24 May 96

[Report by Fuad Cibukcic on a news conference held by Turkish Prime Minister Mesut Yilmaz and Bosnia-Herzegovina Prime Minister Hasan Muratovic in Sarajevo on 24 May—recorded]

[FBIS Translated Text] [Cibukcic] [Passage indistinct] Turkish Prime Minister Mesut Yilmaz:

[Yilmaz, in Turkish with superimposed translation into Serbo-Croatian] [passage indistinct] I am proud to be able to say that Turkey has supported Bosnia-Herzegovina from the very beginning with all its means and [words indistinct]. Bosnia must remain undivided, for the sake of peace and values that [words indistinct]. It is a duty of all countries, especially the European ones, to help Bosnia [words indistinct]. The democratic elections will be the key aspect [words indistinct]. We in Turkey are willing to offer all assistance [words indistinct] know which government frequently headed [words indistinct] means that Bosnia is not alone in its efforts to recover from the war and rebuild its [word indistinct] devastated by the war.

The worst is behind Bosnia. [passage indistinct] The Bosnian peoples must preserve the hope in a better future, and for that a permanent engagement of [word indistinct] is required.

[Cibukcic] Bosnia-Herzegovina Prime Minister Dr. Hasan Muratovic voiced great satisfaction in being able to greet the senior delegation of friendly Turkey in our country. He added:

[Muratovic] We owe a lot of gratitude to the Turkish Government and the Turkish peoples [words indistinct] for the assistance that we received continuously throughout the war and afterward. All this time we enjoyed tremendous political, humanitarian, economic, and military assistance through the presence of the UN and IFOR [Implementation Force] troops.

Today we held a very productive meeting, in which we primarily analyzed political cooperation, the implementation of the Dayton accord and future perspectives connected to its implementation, and also the relations in the Balkans. Naturally, we dwelled the longest on the issues of the economic assistance and economic reconstruction of Bosnia-Herzegovina. Turkey will join in the

reconstruction immediately with \$20 million in credit, agreed today, which will entail infrastructure and industry.

A substantial number of the refugees are returning from Turkey to Sarajevo these days, directly, by aircraft. These days we have setup a joint business council, which is comprised of a great number of businessmen through whom a portion of the reconstruction and a portion of the economic cooperation between the countries will be realized.

To sum up today's meeting, today's visit by the Turkish delegation, we firmly believe that the relations between friendly Turkey and the Republic of Bosnia-Herzegovina will continue with the intensity that they have maintained so far, and are moving in some new directions, befitting the situation in which we have found ourselves after [word indistinct].

B-H: Turkish Prime Minister Signs \$20-Million Credit Accord

AU2405171296 Paris AFP in English
1633 GMT 24 May 96

[FBIS Transcribed Text] Sarajevo, May 24 (AFP)—The new Turkish Prime Minister Mesut Yilmaz Friday met senior Bosnian officials and signed a \$20-million credit agreement as part of a long-term, \$80-million aid programme for Bosnia.

Yilmaz, who replaced former premier Tansu Ciller in elections in March, was accompanied to Bosnia by his defence, finance and foreign ministers and a large party of business leaders.

Speaking alongside Bosnian Prime Minister Hasan Muratovic, Yilmaz signed an agreement to extend a \$20-million credit to help rebuild Bosnian infrastructure and industry this year.

The money would be made available "by the end of this year," he said.

The visit and credit, combined with the presence of a large party of business leaders, showed "the extent of our solidarity with Bosnia-Herzegovina," Yilmaz said.

Bosnia "must remain undivided for the sake of peace...it is the duty of all nations, in particular the Europeans, to help Bosnia-Herzegovina to achieve this objective," he added.

Turkey pledged in April at an EU-World Bank conference in Brussels to provide \$80 million in aid to Bosnia over the coming years.

Ankara has already provided \$6 million in credit and was supplying the \$20 million on the basis of a soft loan, Yilmaz said.

Muratovic said most of the money would be spent on rebuilding industry but some would be diverted to housing needs for some of the thousands of refugees returning to the country, some from Turkey, he said.

He also said he had asked Yilmaz to bring forward the remaining \$54 million pledged from the scheduled payment days of 1997-1999 to this year.

"I promised to do our best to meet this demand," Yilmaz said.

The two men described talks between their delegations as "productive."

They had discussed military aid, Muratovic said, but "devoted most of the time to the issue of economic reconstruction," and discussions of "bilateral relations in the Balkans," he added.

The Turkish prime minister, facing a political crisis at home after his coalition partner Tansu Ciller's True Path party appeared to pull out of the government, met President Alija Izetbegovic for half an hour talks in between talks with government ministers.

He declined to answer western reporters questions about the political crisis in Ankara.

After a brief walkabout in the old "Turkish" quarter of Sarajevo, much of it surprisingly little-damaged in the war, the delegation was then to visit Turkish troops serving in Sarajevo with the NATO-led peace implementation force (IFOR) before returning to Ankara in the evening.

Most of the 1,300 Turkish troops serving in Bosnia as part of the 60,000-strong multinational force are based in Zenica, in central Bosnia.

Turkey's strong links with Bosnia date back to when it was conquered by the Turks in the 14th century.

Ankara agreed in January to help in the training of Bosnian army soldiers. Currently some 200 Bosnian soldiers are receiving training in Turkey.

Ankara agreed in March to provide two million dollars of military assistance, but Sarajevo asked for more as part of the U.S.-backed Equip and Train programme intended to build up the forces of the Moslem-Croat federation.

The programme, which Washington costed at \$800 million, is aimed at strengthening the federation to act as a viable counterpoint to the powerful forces of the Serb entity in Bosnia, the Republika Srpska [Serb Republic].

So far, little more than \$200 million has been pledged, with half of that coming from Washington and most of the rest from the Gulf states.

B-H: Over 120 Bosniaks Arrive on Refugee Flight From Turkey

AU2605165096 Paris AFP in English
1623 GMT 26 May 96

[FBIS Transcribed Excerpt] Sarajevo, May 26 (AFP)—A group of more than 120 Bosnian Moslems flew into Sarajevo on Sunday [26 May] after spending more than four years in Turkey on the largest flight yet bringing refugees back to Bosnia by plane.

Some 5,000 Bosnian Moslems still live in refugee camps in Turkey, down from 25,000 at the height of the war in 1992-1993, Bosnia's ambassador to Turkey, Hajrudin Somun, said at the airport. [passage omitted]

The refugees returning to Bosnia are, however, just a handful of those who remain outside Bosnia's borders. Only about 70,000 refugees and displaced people have returned to their homes out of 2.4 million forced out by the Bosnian war.

The UN High Commissioner for Refugees, Sadako Ogata, earlier this month slashed in half the UNHCR estimate of the number of refugees likely to return to Bosnia this year, to 500,000 at best.

The Bosnian war, which started in April 1992, ended with the signing of the Dayton peace treaty in Paris in December 1995.

B-H: Iranian Embassy Denies Diplomats Left Bosnia

LD2505193396 Sarajevo Radio Hajat
in Serbo-Croatian 1600 GMT 25 May 96

[FBIS Translated Text] Information that nine members of the Iranian embassy in Sarajevo have left the country at the demand of the Bosnia-Herzegovina Government are arbitrary and false. A statement by the embassy of the Islamic Republic of Iran issued today said:

There is a specific number of diplomatic staff of the Islamic Republic of Iran in Bosnia-Herzegovina. They came in line with the international laws and in agreement with the Bosnia-Herzegovina Government. No Iranian diplomat has recently left Bosnia-Herzegovina. In its foreign policy, and with good relations with Bosnia-Herzegovina in mind, the Islamic Republic of Iran is continuing its diplomatic relations in view of strengthening (them) and helping the government in the reconstruction of Bosnia-Herzegovina.

Unfortunately, certain powers, instead of fulfilling their obligations from the Dayton agreement in economic and military reconstruction of this country, are using different and illogical excuses to avoid their commitments,

including the material ones, the Iranian embassy statement said.

B-H: Alleged Deal Between Milosevic, Mediators Criticized

LD2505202496 Mostar Croatian Radio Herzeg-Bosnia
in Serbo-Croatian 1600 GMT 25 May 96

[FBIS Translated Text] The Dayton agreement could become a dead letter; the whole peace process is in jeopardy. This the newspaper REPUBLIKA [as heard] wrote in a special commentary today, in reference to the alleged agreement between Serbian President Slobodan Milosevic and the international mediators, Swede Carl Bildt and U.S. assistant secretary of State John Kornblum, under which Radovan Karadzic and Ratko Mladic should remain at large.

Karadzic and Mladic's future was one of the key points discussed at the peace negotiations in Dayton. The Muslims demanded that the agreement should specify that the persons suspected of war crimes cannot carry out political duties. This is why Milosevic came under pressure to do everything possible to remove the two Bosnian Serb leaders from their positions.

B-H: 'Integral Text' of Agreement on Mostar Elections

LD2505194196 Mostar Radio-Televizija Mostar Radio
in Serbo-Croatian 1430 GMT 25 May 96

[FBIS Translated Text] A meeting between the [EU] administrator, Ricardo Perez Casado, Safet Orucevic, mayor of east Mostar, and Mijo Brajkovic, mayor of west Mostar, about implementing the agreement on local elections has just ended.

We shall read the integral text of the agreement on the local elections:

1. The elections will be held not later than 30 June 1996 on the basis of the existing agreements and decrees of the EU administrator. The administrator will determine the exact date of the elections.
2. All persons registered as citizens of Mostar in the 1991 census who have not left Mostar voluntarily have the right to vote.
3. All parties will do their utmost to ensure the right to vote for the refugees and displaced persons who meet the conditions set out in point 2. This means: the parties will organize buses or other forms of transport for the refugees and displaced persons who wish to take part in the Mostar elections. The European Union and Mostar's EU administration are requested to offer financial support for bus transport. The European Union

and EU administration are also requested, in agreement with host countries, to determine a polling station in each of the countries where the majority of refugees from Mostar live. These are: Germany, Norway, Sweden, and Switzerland. [transmission interrupted at this point]

B-H: Mostar Election Accord, Croat-Muslim Requests Detailed

LD2505191796 Mostar Croatian Radio Herzeg-Bosnia in Serbo-Croatian 1600 GMT 25 May 96

[FBIS Translated Text] Mile Puljic, Safet Orucevic and Rajko Gatolo [phonetic], the representatives of the Croat, Muslim, and Serb citizens of Mostar, confirmed at today's meeting with Perez Casado, the EU administrator, the agreement between Croatian President Tudjman and Bosnian President Izetbegovic.

This means that Mostar elections will be postponed until the second half of June 1996. Citizens of Mostar currently living abroad will be able to vote in four European countries: Germany, Switzerland, Norway and Sweden.

Administrator Casado praised the cooperation by all sides.

The Croat representatives requested that the right to vote be ensured for all citizens of Mostar currently living in the Federal Republic of Yugoslavia or in the Serb entity in Bosnia-Herzegovina and that Administrator Casado declare which side violated the Dayton agreement [sentence as heard].

The Muslims requested that citizens of Mostar currently living abroad vote in the United States and Italy, in addition to the aforementioned four countries.

It is expected that Administrator Casado will determine the exact date of Mostar elections on Monday, 27 May, after a meeting with the advisory committee.

B-H: Muslim Mostar Mayor Jubilant Over New Election Rules

LD2505185796 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 25 May 96

[FBIS Translated Excerpt] The agreement on local elections was signed in Mostar today. [passage omitted]

Under the agreement, the parties must ensure full freedom of movement and safety, and the Republic of Croatia Government will guarantee unhindered transit through Croatia before the elections. The agreement says in conclusion that the parties must continue cooperating to prepare the election, including the participation in the work of electoral commissions.

After the agreement on local elections in Mostar was signed, Ricardo Perez Casado, EU administrator for Mostar, Mile Puljic, vice chairman of the Mostar municipal council, and Safet Orucevic mayor of Muslim part of Mostar made brief statements. [passage omitted]

[Begin Puljic recording] Today we signed guarantees that this agreement will not be changed. This agreement was reached between Sarajevo and Zagreb, with no participation of local authorities. We gave our consent to this document. In the next few days, soon, the EU administrator will annul the old decree and pass a new one. The exact date is not known yet, but the election will be held in late June this year. [end recording]

[Begin Orucevic recording] I do not have much to add to what Mr. Puljic and Mr. Casado said, except to say that next month, after the first elections in the town of Mostar, Mostar will finally get its mayor. One mayor, a single, shared mayor of the town of Mostar. Despite all shortcomings of the document we signed, these first elections in Mostar will facilitate the creation of a democratic atmosphere and finally give the right to vote to all residents of Mostar, both in Mostar and all over the world, to elect their first common town [word indistinct] [end recording].

B-H: Mostar Administrator on Election Postponement

LD2705104196 Madrid RNE-1 Radio Network in Spanish 0600 GMT 27 May 96

[FBIS Translated Excerpt] [Unidentified correspondent] In Bosnia-Herzegovina, in the city of Mostar, the local elections which were to be held 31 May have had to be suspended. We have on the line Ricard [Valencian form of Spanish Ricardo] Perez Casado, who is the city's single administrator appointed by the EU. Mr. Perez Casado, hello.

[Casado] Hello.

[Correspondent] What exactly has happened? The Bosnian Muslims refused to allow them to be held so soon—why?

[Casado] Well, because they had discussions about the votes of refugees and displaced persons who, in the majority, are Bosnian Muslims, and who are now mostly in western Europe. But on Saturday 25 [May], we reached a signed agreement through which these elections were postponed until a date prior to 30 June and the votes of citizens who are currently in other countries were guaranteed.

[Correspondent] Will they be able to vote from those countries because it appears that the problems of

displacement, of freedom of movement in Bosnia-Herzegovina itself have still not been solved?

[Casado] Well, one way or another the different sides—who in this case are Croats, Serbs, and Bosnians—have agreed and guaranteed that people will have no trouble moving around by bus or any other means. Moreover, President Tudjman in Croatia has personally guaranteed that transit through his country will be guaranteed in order for the elections to be held. In any case, we are also considering—and we have agreed to consider—asking some Western European countries to allow inhabitants of Mostar who are residents or refugees in their countries to vote.

[Correspondent] I also imagine problems will arise from the census—knowing exactly how many people may be included in that electorate of Bosnians etc?

[Casado] Something over 90,000 people [will be included]; but, although to us Spaniards it seems to be a small number, it still remains the first test of the process of restoring democracy to this country. In other words, Mostar will be a sort of example before the general elections due in the autumn. Of course, in this first step in which we in the EU have fulfilled the Dayton accord deadlines, the trigger has been being able to talk about the fundamental issues and getting the different sides to agree. [Correspondent] These elections are a first step, a demonstration of what the general elections to which you were referring could be like. But how is daily life progressing in Mostar? We still see television pictures of people who dare not pass from one district to another and the problems which apparently still exist. How has that situation in the city of Mostar improved?

[Casado] The term is precisely the one you have just used. That is, it is improving daily. That does not mean there are not incidents, fears, and resentment. One has to bear in mind that this was a terrible war and the peace agreement was signed a very short time ago, barely six months and a few days ago. Seen from that viewpoint, things are undoubtedly improving daily. The daily improvement can be seen in the number of houses, shops, etc., which are being rebuilt and used by people and also in the increase in movement from one sector to another. It is true that people aged, shall we say, between 20 and 45, especially men, still have trouble getting around, or else they just stay put. You must not forget they were combatants just a few months ago.

[Correspondent] [passage omitted]

B-H: Mostar Mayor Demands Croat Passport Holders' Vote

LD2705130796 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 27 May 96

[FBIS Translated Excerpt] Perez Casado, the European administrator of Mostar, will pass a new decree on the elections in Mostar on Thursday, 30 May. This was agreed at the European administrator's meeting with the two mayors, Mijo Brajkovic [Croat mayor], and Safet Oric [Muslim mayor]. Antun Mrkonjic reports:

[Mrkonjic] Administrator Casado will set the exact date for the vote after several important meetings to discuss details of the voting, especially abroad. A meeting with Bosnia-Herzegovina Foreign Minister Jadranko Prlic has been announced with that in view.

[Croat] Mostar Mayor Mijo Brajkovic said that it is realistic to expect administrator Casado to set the date for the elections for the six local assemblies and the city council between 20 and 30 June this year. Brajkovic stressed that there are no grounds for disputing whether citizens who have a Croatian passport may vote in the Mostar elections. They are citizens of Mostar who registered at their municipalities in 1991, according to the regulations, and their right is beyond dispute, Mijo Brajkovic said.

Asked to comment on the postponement of the elections and on the right to vote abroad granted to residents not currently living in Mostar, which contravenes the Dayton agreement, the mayor of Mostar said that there is no reason for fear. It is important to know what we want to achieve with the elections, which is to implement the Dayton agreement and to set up the authorities in Mostar. [passage omitted]

B-H: Social Democrats To Discuss Mostar Elections With Casado

AU2705144096 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 27 May 96

[FBIS Translated Text] Sejfudin Tokic, president of the Executive Council of the Union of Bosnia-Herzegovina Social Democrats, takes the view that the recently signed agreement on the elections in Mostar has removed only some of the reasons why the coordinating committee of the opposition parties had not agreed to take part in the elections scheduled for 31 May.

We still hold the view that there are not even the minimum conditions; that there is no safety for the citizens, freedom of movement, freedom of political organization, or equal party representation in the local media.

After the talks with Administrator Casado, the opposition will announce its final decision on its possible participation in or the boycott of the elections in Mostar. This was stated in a statement issued by Sejfudin Tokic, president of the Executive Council of the Union of Bosnia-Herzegovina Social Democrats.

B-H: Croats Refuse To Allow Further Muslim Visits to Stolac

LD2805123496 Zagreb Radio Croatia Network in Serbo-Croatian 1100 GMT 28 May 96

[FBIS Translated Text] In line with an earlier agreement, around 500 Muslims currently living in the eastern part of Mostar visited Stolac [Croat-held town in south-eastern Bosnia] over the past three days. The office for relations with IFOR [Implementation Force] and other international organizations of the Croat government of the Republic of Herzeg-Bosnia has announced that there will be no more Croat-Muslim agreements on group visits to Stolac. Antun Mrkonjic has a report.

[Mrkonjic] This was stated by Radoslav Lavric, the deputy head of the office for relations with IFOR and other international organizations of the government of the Croat Republic of Herzeg-Bosnia. He stressed that a group of 200 people, who wanted to go to Stolac without a previous announcement by their authorities, had gathered in Kovacine near Mostar this morning. The Croat side was unable to accept their demand because no official request had been received, deputy Lavric said.

According to him, the Croat side has received confirmed reports that the Muslims are planning to continue visiting Stolac every day, which is impermissible, because no one knows for how long this would go on and there are no security conditions for such visits.

As is known, groups totalling 500 Muslims have visited Stolac. Last week's agreement between the Croat and Muslims sides was thus respected. The most important thing is that there were no incidents during the visits, Lavric said. He added that there would be no visits to Stolac until further notice, or rather, until a new agreement is reached.

Jadran Topic, president of the HDZ [Croat Democratic Union] Mostar committee, said today that he does not believe that the Mostar elections would be completely regular, especially voting abroad, but added that this would probably not have a major impact on the outcome of the elections.

Commenting on a letter by citizens from the Muslim part of Mostar, which disputes whether people who have Croatian passports may vote, Topic stressed that this was absurd because—according to him—more Muslims

than Croats have dual citizenship and therefore the Muslim side would lose out.

B-H: Serbs Stop Muslims From Visiting Teslic

LD2605104296 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1000 GMT 26 May 96

[FBIS Translated Excerpt] Nearly 7,000 Bosniaks [Muslims] from Teslic [northern Bosnia] have tried recently on several occasions to organize visits to their homes in the Serb entity [Bosnian Serb Republic], as well as to the graveyards where their nearest and dearest are buried. However, their attempts proved unsuccessful as their former [Bosnian] Serb neighbors prevented them from doing so.

In the latest attempt, some 200 Bosniaks were confronted by over 5,000 Serbs, who stopped them from entering Teslic. In addition to this, the Serbs have lately started to expel the Bosniaks and provide accommodation for the Serbs from Sarajevo. All efforts so far have been unsuccessful and there has been nothing but empty promises each time. [passage omitted]

B-H: Serbs, Muslims Clash Near Prijedor

LD2605180296 Belgrade SRNA in Serbo-Croatian 1617 GMT 26 May 96

[FBIS Translated Text] Prijedor, 26 May (SRNA)—At the approaches to Prijedor, two incidents took place today when larger groups of Muslims, escorted by IFOR [Implementation Force] and the international police, without prior warning or agreement with Serb authorities, attempted to enter this town.

In both instances, the residents of Prijedor, who have organized their self-defense, prevented the entry of Muslims and forced them to return to the point of their departure.

The first incident happened this morning when IFOR and international police troops attempted to escort a bus with Muslims from Koprivna into Prijedor saying that the passengers were foreigners, allegedly English.

The Serb civilians saw through this attempt to deceive them and turned back the Muslims from the entrance to Prijedor toward Koprivna.

The second incident took place in the vicinity of Baltine Bare when a bus, a van, and a sedan with Muslims, escorted by IFOR armored vehicles, used force in their attempt to get to Prijedor. A large group of Serb civilians managed to turn back this group of Muslims, too. Nobody was injured on either side in either incident.

With an IFOR helicopter circling above them, the Serb civilians were keeping guard late this afternoon at the

approaches to Prijedor, fearing unorganized entries of Muslims.

According to the agreement reached between Serb and Muslim officials, visits of larger groups are possible only after the other side has given its consent and security guarantees.

B-H: Serbs Block Bosniaks From Entering Prijedor

AU2605205296 Banja Luka Srpski Radio Network in Serbo-Croatian 1700 GMT 26 May 96

[Report by Zoran (?Baros) from Prijedor]

[FBIS Translated Text] A large group of Muslim extremists, aided by IFOR [Implementation Force] members, attempted violent entry into the territory of the Serb Republic from the Sanski Most area several times, but the people of Prijedor thwarted their plans. Our colleague Zoran (?Baros) has a report.

[(?Baros)] This morning at about 0800, Muslim extremists set off for Prijedor again. They were in a bus with foreign license plates, which was escorted by three IFOR vehicles.

This attempt was thwarted because the people of Prijedor immediately organized, but the attempt was repeated at about 1400. This time the Muslim extremists were escorted by five IFOR vehicles, two of which were armored vehicles. All this indicates that this action was organized by the Muslim leadership and aided by foreign sponsors, the aim being to provoke an incident on the territory of the Serb Republic, for which the Serbs would, naturally, be blamed again.

The people of Prijedor went out and, in an organized manner, prevented the Muslim extremists from entering Prijedor. At about 1600, the Muslims thus returned toward the Sanski Most area.

B-H: Prijedor Police Chief Demands Reciprocity in Visits

LD2805124096 Belgrade TANJUG Domestic Service in Serbo-Croatian 0954 GMT 28 May 96

[FBIS Translated Text] Prijedor, 28 May (TANJUG)—An incident that occurred on 26 May, when Serbs barred access to Prijedor to a group of Muslims from Sanski Most, could have been avoided if the two sides cooperated and honored agreements. Simo Drljaca, chief of the public security center in Prijedor, said.

"The Muslim side constantly insists on freedom of movement, but it does not respect it, as is confirmed by incidents which saw our citizens being arrested and beaten up when they visited their houses in border areas, despite the fact that they were elderly people," he added.

"We have nothing against a group of Muslims visiting Prijedor, and our police are ready to guarantee their security during their visit, but only if the principle of reciprocity is honored; that is, if the same number of Serbs are allowed to visit Sanski Most. But we were unable to reach an agreement on this with Muhamed Alagic, the president of Sanski Most municipality," Drljaca specified.

B-H: UN Spokesman on 7 Bosniaks Imprisoned in Bijeljina

AU2705140296 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1300 GMT 27 May 96

[FBIS Translated Text] The international police visited the seven Bosniak prisoners in the Bijeljina prison again this weekend. This was stated by UN Sarajevo spokesman Alexander Ivanko at a news conference today. He said that two prisoners complained about chest pains, and that they were given medical assistance.

It appears that one of them had three broken ribs. He should therefore receive additional medical help, Ivanko said. He stressed that the prisoners did not have any complaints, except that one of them expressed the wish to be represented by a lawyer from the territory of the Federation.

According to Ivanko, they were promised a lawyer from the Serb entity, but, during the two weeks they have spent in the Bijeljina prison, no lawyer has visited them.

Ivanko also said that the international policemen have spoken to the Serb policemen from Zvornik, who rejected the accusations of beating and mistreating the prisoners. This runs counter to the information that we have received, Ivanko said.

B-H: Zvornik Serbs Protest Arrival of Bosniaks to Area

AU2505203596 Banja Luka Srpski Radio Network in Serbo-Croatian 1700 GMT 24 May 96

[FBIS Translated Text] Today the people of Zvornik protested against the announced arrival of Muslims to this part of the Serb Republic. Support was expressed at the protest meeting for the president of the Serb Republic, Dr. Radovan Karadzic, and commander of the general staff, Ratko Mladic. (Milenko Lazarevic) has a report.

[(Lazarevic)] We do not want coexistence with Muslims and Croats in some sort of [word indistinct] Bosnia-Herzegovina. Our country is the Serb Republic, and Zvornik is a Serb town. This was stated at today's meeting in Zvornik, at which several thousand people of Podrinje gathered to express their protest against

the announced arrival of Muslims [words indistinct] to Zvornik and the surrounding villages [words indistinct] the Serb Republic.

Under the guise of freedom of movement, which is in accordance with the peace agreement, the Muslims are carrying out a [words indistinct] aggression against the Serb Republic, trying to settle in some of the border areas in the Zvornik municipality in large numbers, in which IFOR [Implementation Force] and ITTS [expansion unknown] are helping them, said Stevo Radic, president of the municipal committee of the Serb Democratic Party, addressing those present. About 25,000 displaced Serbs have arrived in Zvornik since the beginning of the war; they left their homes to save their lives. They do not want to return to their homes any more, since they found new homes in Serb Zvornik, and they will not leave them whatever the cost, said Radic, adding that the representatives of the Zvornik municipal authorities would not attend the meeting with the Muslim leadership from Tuzla, Kalesija, and [name indistinct], which the UNHCR had scheduled for 30 May this year.

There is nothing to be discussed with the Muslims until the state border between the warring sides is established, said Stevo Radic.

At the end of this meeting, a message was sent to the international community, saying that Radovan Karadzic is president of the Serb Republic, and General Ratko Mladic commander of the army that has defeated the enemy in a soldierly manner and created their state in blood.

IFOR helicopters were flying over Zvornik during the meeting, thus demonstrating the international community's attitude toward the Serb people in the Serb Republic.

B-H: Serb, Federation Representatives Agree on Border Measures

LD2705152896 Pale Srpska Radio-Televizija First Program Serb Radio in Serbo-Croatian 1400 GMT 27 May 96

[FBIS Translated Text] Representatives of the regional commissions of the [Bosnian] Serb Republic and the Muslim-Croat Federation had a meeting in the Nordic and Polish base of IFOR [Implementation Force] in Doboj today. They agreed on details regulating future movement across the border [between the Serb Republic and the federation].

The participants in the meeting agreed that the Muslim side would in the future consistently adhere to Annex 7 of the Dayton agreement. The aim of the meeting was

to prevent illegal Muslim movement across the border and the recurrence of incidents in which people have been wounded and sometimes even killed.

B-H: Karadzic Said To Have Fled to Montenegro

AU2705135696 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 27 May 96

[FBIS Translated Text] Radovan Karadzic, leader of the Bosnia-Herzegovina Serbs, has reportedly fled to Montenegro, thus avoiding a possible arrest by the members of the Implementation Force.

As Belgrade papers report, citing the Montenegrin press agency MONTENA FAX, the international peacekeepers tried to arrest Karadzic in the border area between west Herzegovina and Montenegro, which is controlled by the Bosnia-Herzegovina Serbs, in mid-May.

B-H: Agency Reports Narrow Escape by Karadzic From IFOR

AU2805102396 Belgrade DNEVNI TELEGRAF in Serbo-Croatian 27 May 96 p 1

[Unattributed report: "Karadzic Escaped Arrest by Escaping Into Montenegro"]

[FBIS Translated Text] Podgorica—Members of the Implementation Force [IFOR] tried to arrest the leader of the Bosnian Serbs, Dr. Radovan Karadzic, but he managed to escape at the last moment together with his security escort.

As the Podgorica-based MONTENA FAX agency found out from unofficial sources, this happened during a recent religious ceremony, when a procession with the remains of St. Vasilus Ostroski crossed from Montenegro into Herzegovina, and was greeted by Dr. Radovan Karadzic, his aides, and his armed escort at the border.

According to the agency, the IFOR members tried to surround Karadzic and his escort right next to the border crossing, but he crossed into Montenegro, thus avoiding arrest.

B-H: 'Source' Describes Karadzic's Encounter With IFOR

AU2805120396 Bad Vilbel VESTI in Serbo-Croatian 28 May 96 p 7

[Report by M. Kusmuk: "There Was No 'Last Minute Escape'"]

[FBIS Translated Excerpt] The allegation that the Implementation Force [IFOR] recently nearly arrested Serb

Republic President Radovan Karadzic at the border between Montenegro and Herzegovina are exaggerated to say the least. There was no "escape to Montenegro" and Karadzic moved around exactly according to a previously determined schedule. [passage omitted]

VESTI sources close to the Serb Republic would only confirm that on 10 and 11 May the president of the republic attended the ceremony for the transfer of St. Vassilius' remains to Herzegovina. An incident did occur outside the hotel in Trebinje in which Karadzic was staying, but everything that happened was a far cry from any sort of encirclement or arrest.

According to this unidentified but reliable source, IFOR soldiers on two occasions tried to enter the parking area of Hotel Leotar in Trebinje, in which, apart from Radovan Karadzic and the members of the special brigade of the Ministry of Internal Affairs, the EU observers were also staying. The Serb Republic special brigade prevented them in this pursuit and their armored personnel carriers circled the Hotel Leotar a few times before disappearing.

The Serb Republic president left Trebinje as planned in the afternoon on 11 May and attended a session of the municipal committee of the Serbian Democratic Party in Bileca, VESTI's source claims. It would truly be difficult to say that "he saved himself at the last minute."

B-H: NATO Troops 'Reminded' To Detain War Criminals

AU2505132996 Paris AFP in English
1229 GMT 25 May 96

[FBIS Transcribed Text] Sarajevo, May 25 (AFP)—NATO troops serving in Bosnia have received an official notice reminding them of their duties to detain war crimes suspects if they come into contact with them, an informed source told AFP Saturday.

The notice was passed to soldiers Friday, after NATO chief Javier Solana said in Madrid that "war criminals should be in prison," the source said.

The notice, handed out following Solana's statement, reminded soldiers that war crimes suspects should be "immobilised" if the soldiers come into contact with them, said the source who was speaking on condition of anonymity.

The 60,000-strong NATO-led force in Bosnia, known as IFOR, has regularly said publicly its troops have orders to detain war criminals if they come across them in "the normal course of its duties," but the timing of the reminder, after Solana's statement, appeared significant.

NATO has come under increasing pressure to do something about the suspected war criminals and was embarrassed this week when the indicted chief of the Serb army, General Ratko Mladic was able to travel freely from Bosnian Serb-held territory to Belgrade and back for a funeral.

B-H: NATO Discounts 'Operation' To Arrest Mladic, Karadzic

AU2705140596 Paris AFP in English
1332 GMT 27 May 96

[FBIS Transcribed Text] Sarajevo, May 27 (AFP)—NATO will not mount a specific operation to detain the Serb leaders Radovan Karadzic and Ratko Mladic who are wanted by the United Nations for suspected war crimes, a NATO spokesman said Monday.

"We are not going to mount a specific operation to arrest them," NATO spokesman Major Simon Haselock told a briefing here.

A NATO source told AFP Saturday that certain units of NATO troops in Bosnia had Friday received an official notice reminding them of their duties to arrest war crimes suspects if they come into contact with them.

NATO Secretary General Javier Solana said last week that the movement of NATO troops across Bosnia in preparation for September elections was increasing the chances of an arrest.

NATO is reluctant to arrest Karadzic and Mladic fearing that it would create casualties and risk endangering the wider peace process.

Questioned by reporters Monday, Haselock agreed that the risk of a violent backlash by the Serbs if the Serb leaders were arrested would be as great if they were to be arrested by chance as in a specially-mounted commando operation.

NATO officials admit in private to having observed Karadzic on several occasions since the signing of the Bosnian peace treaty but say it was always in places where they were not able to arrest him without risking injuries to passersby.

NATO knows where Karadzic lives in the Serb "capital" Pale and also where Mladic is based, at Han Pijesak, on the road between Sarajevo and Vlasenica.

The United States and its European allies in recent weeks put pressure on the Bosnian Serb leadership to sideline Karadzic and Mladic, forcing them to disappear from public view even without receiving a specific assurance that they are renouncing power.

Top civilian official Carl Bildt denies however that this was a deal which would allow the two to "cheat justice and the law."

B-H: RS's Koljevic Says Karadzic Will Not Appear in Public

LD2705111996 Belgrade TANJUG in English
0936 GMT 27 May 96

["Pool" item]

[FBIS Transcribed Text] Belgrade, May 27 (TANJUG)—Nikola Koljevic, vice-president of Republika Srpska (RS—Bosnian Serb Republic) said the president of the Bosnian Serb entity Radovan Karadzic would no longer appear in public.

Koljevic told Radio Kragujevac on Sunday that RS had fulfilled all the international community's demands, including the latest ones, and expressed the hope there would be no reintroduction of sanctions against Yugoslavia and Republika Srpska.

A week ago Karadzic transferred his competencies to Republika Srpska Vice-President Biljana Plavsic which was interpreted in the circles of international mediators in Bosnia as the beginning of his withdrawal from the public.

Koljevic said the most important preparations for the forthcoming elections in Bosnia had already been completed and that lists of all election commissions had been sent to the transitional election commission and that all election lists would be ready by the June 3 deadline, including lists of voters abroad.

The upcoming elections are expected to fully legitimise the Republika Srpska bodies of power within the future Bosnia-Herzegovina, Koljevic said.

The first post-war free and democratic elections in Bosnia-Herzegovina are to be held by the end of September according to the Dayton Peace Accord.

Koljevic assessed that the military provisions of the Dayton Accords were being "implemented best."

He added the implementation of article 4 of the military provisions of the peace agreement, which calls for regional stabilisation as the final guarantee that there would be no more war, would begin in Oslo at the beginning of June.

B-H: Liberals See 'No Peace' Without Mladic, Karadzic Arrests

LD2705170596 Sarajevo BH PRESS
in Serbo-Croatian 1438 GMT 27 May 96

[FBIS Translated Excerpt] Sarajevo, 27 May (BH PRESS)—The Liberal Party of Bosnia-Herzegovina believes that there is no peace for Bosnia-Herzegovina unless war criminals Radovan Karadzic (Bosnian Serb president) and Ratko Mladic (Bosnian Serb military commander) are arrested. This is of paramount importance and, therefore, we are warning the international community that bargaining with anyone to avoid arrest by offering to leave their posts should be ruled out. Rasim Kadic, the chairman of the Liberal Party of Bosnia-Herzegovina said at a news conference today.

The Liberal Party is disappointed to see the international community procrastinating on the arrests of the war criminals. [passage omitted]

B-H: Local Party Committee Supports Karadzic, Mladic

LD2705123496 Belgrade SRNA in Serbo-Croatian
1042 GMT 27 May 96

[FBIS Translated Excerpt] Srpski Brod (Bosanski Brod), 27 May (SRNA)—At a constituent session of the municipal committee of the Serb Democratic Party in Srpski Brod, Ignjo Jacimovic, a deputy in the Serb Republic assembly, was elected chairman of the committee and Dragan Nikolic, Vid Rakic, and Borivoje (name indistinct) were elected deputy chairmen. [passage omitted]

The participants in the session sent a telegram of support to Radovan Karadzic, president of the republic, and to General Ratko Mladic, which says that "all accusations and condemnations addressed to them are condemnations of the entire Serb people."

"We would like you to know that we have not abandoned our plans and we are giving you our unconditional support to continue on the planned course leading to final victory, because that is the will of the people," the telegram of support says in conclusion.

B-H: Bosnian Branch of Helsinki Committee on Karadzic, Mladic

LD2705165796 Tuzla Radio Tuzla in Serbo-Croatian
1400 GMT 27 May 96

[FBIS Translated Text] The International Helsinki Federation for Human Rights and the Helsinki Committee for Human Rights, Bosnia-Herzegovina branch, concluded that the conditions for holding free, fair, and

democratic elections in Bosnia-Herzegovina do not exist, it was announced at the news conference of the Helsinki Committee.

[Correspondent] The removal of Radovan Karadzic and Ratko Mladic from the political stage is of crucial importance for the elections in Bosnia-Herzegovina, Srdjan Dizdarevic, the president of the Bosnia-Herzegovina branch of the Helsinki Committee, said.

According to him, their current activities and public appearances create an atmosphere similar to the one on the eve of war in 1992. Dizdarevic warned of attempts to prevent refugees and displaced persons from returning to their homes in order to be able to take part in the elections, just as other citizens do. The general atmosphere for holding elections is unfavorable, and a special cause for concern is the recent public statement by the vice president of the Party of Democratic Action. According to this statement, the ruling party will initiate certain motions toward the opposition and it will have no mercy there, Dizdarevic said.

B-H: Serb Democratic Party Conveys Support to Karadzic, Mladic

*LD2605210396 Pale Srpska Televizija
in Serbo-Croatian 1800 GMT 26 May 96*

[FBIS Translated Excerpt] Today's sessions of the municipal assemblies of the Serb Democratic Party in Laktasi, Han Pijesak, and Celinci bring to an end the interparty election activity. From these meetings, letters of support to the state and military leadership of the Serb Republic have been sent.

The Serb Democratic Party Municipal Assembly of Gradiska will organize a support rally for Serb President Radovan Karadzic and General Ratko Mladic, commander of the Serb Republic army, on Thursday, 30 May. [passage omitted]

The assembly participants have sent a telegram of support to President Radovan Karadzic and General Ratko Mladic, which reads:

"All you have done and are doing is deeply connected with the interests of the Serb nation. There is no force that could separate us from our foremost leaders. We are sending you a message from our rally to say that we remain firmly with you, confident in the strength of the Serb people and its victory," the telegram of support from Laktasi said. [passage omitted]

We are extending to you our unreserved support in the struggle for the Serb Republic and Serb national interests won in the homeland war—is the message that was sent today to Radovan Karadzic, president of the Serb Republic, from the assembly of the Serb

Democratic Party municipal organization of Celinac. [passage omitted]

B-H: Klickovic, Senior Officers View Serb Army Reorganization

*LD2405163196 Belgrade SRNA in Serbo-Croatian
1428 GMT 24 May 96*

[FBIS Translated Text] Banja Luka, 24 May (SRNA)—Gojko Klickovic, prime minister of the [Bosnian] Serb Republic, had talks with senior officers of the main headquarters of the Serb Republic Army about activities connected with the peaceful reorganization of the army and the problems surrounding it.

The present living standards of soldiers and government obligations towards them were given special consideration at the meeting. The main headquarters has expressed interest in the resolution of the status of the families of dead soldiers and war army invalids, the Serb Republic prime minister said in a statement to SRNA.

According to Klickovic, a session of the Supreme Command will be held at the end of May, at which appropriate decisions and conclusions will be taken so everyone may know their commitments. The government will take upon itself to secure funds for the share of the task to be performed by the main headquarters.

B-H: Klickovic Links Progress in Dayton Accord to POW Release

*LD2405164296 Pale Srpska Radio-Televizija First
Program Serb Radio in Serbo-Croatian
1400 GMT 24 May 96*

[Passages contained within quotation marks are recorded]

[FBIS Translated Text] After today's meeting in Banja Luka with members of the Executive Committee of the Association of Families of Imprisoned and Missing Soldiers and Civilians, Serb Prime Minister Gojko Klickovic said that the implementation of the Dayton agreement could not go any further as long as Annex I on the release of all prisoners was not respected in full.

Velimir Bozic has a report:

[Bozic] The first article of the Annex to the Dayton agreement [as received] obliges the former warring sides to release all prisoners. The Serb Republic has fulfilled its obligations, but a great number of Serb soldiers are still in Muslim and Croat prisons, Prime Minister Gojko Klickovic told the assembled journalists, and pointed out that this essential part of the peace agreement had to be resolved by Carl Bildt before any other.

[Klickovic] "I think that we will have to say to the international community—and Carl Bildt, in particular, who is more involved in anything other than what he should be involved in—we will have to tell him that, at the moment, we are proceeding with the Dayton agreement without abiding by Annex I, which says that all sides have to release all prisoners by a certain date.

"But four months have passed now since that date and this part of the agreement has not been fulfilled."

[Bozic] Other issues that the Serb Republic government will be working on are the social program and problems of the refugees and vulnerable people.

[Klickovic] "The issue we will be working on is the resettlement of the refugees and displaced persons. Our priorities are strategic places such as Brcko, Sipovo, Mrkonjic Grad, and Kljuc. These are all frontier places that have to be populated, where we have yet to provide a great many things so that people may resolve their main problem, housing, and start rebuilding their lives."

[Bozic] The government will pay special attention to the reorganization of the army and preparations for the elections. The April pensions will have to be paid by the end of May, just like the social security checks for 40,000 beneficiaries, Prime Minister Klickovic said.

As for the reconstruction of industrial capacities, priority will be given to electricity production and supply and the overhead transmission line between Derвента and Srbac.

[Klickovic] "I issued instructions yesterday that the final financial estimate for construction had to be presented within 24 hours—how much the transmission line will cost and when it may be finished.

"I literally said [as received] that tasks had to be shared. We have to see what are the duties of the electricity distribution company and what are the duties of the government."

[Bozic] Klickovic answered a question about the referendum in the following manner:

[Klickovic] "We do not want that referendum, but if we have to prove to the international community that this leadership has the support of the people, then we will have to prove it in this way."

[Bozic] Answering a journalist's question about where the seat of the Serb Republic's government will be, Klickovic said that the decision about this will be made by the People's Assembly of the Serb Republic.

When the decision is made, the ministers will have to spend the whole working week in this particular place,

Klickovic said, and added that he had full confidence in this government.

B-H: Klickovic Hints at Change in Serb Approach to POW's

LD2405170796 Belgrade SRNA in Serbo-Croatian 1428 GMT 24 May 96

[FBIS Translated Excerpt] Banja Luka, 24 May (SRNA)—After today's meeting with members of the Executive committee of the Association of Families of the Imprisoned and Missing Soldiers and Civilians, Serb Prime Minister Gojko Klickovic said that the implementation of the Dayton agreement could not go any further until Annex I on the release of all prisoners was fully respected.

"Only when this is fulfilled can we proceed with the implementation of other stipulations of the Dayton agreement," the prime minister stated categorically.

In particular, the representatives of the association insisted that "the Serb Republic government demand from the international community that the Dayton agreement, and especially Annex I, be implemented more consistently."

At a news conference held after the meeting, Klickovic said that "there have been problems in the work of the commissions and other bodies dealing with the exchange of killed or captured soldiers and civilians, but the government is going to make an important turn in resolving these issues."

According to him, the government will soon provide all necessary conditions so that the association may work as effectively as possible.

"We have to show and to prove that we care for every Serb, whether dead or alive, wherever he is," Klickovic said and announced a debate on this issue at the next session of the government.

Demobilized soldiers will be paid health and social insurance as of 1 June 1996. [passage omitted]

B-H: Milosevic Reportedly Advised Mladic To Surrender to Hague

AU2405180396 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 24 May 96

[FBIS Translated Text] War criminal Ratko Mladic returned to the Serbian entity on Tuesday, following the funeral of General Djordje Djukic in Belgrade. As [word indistinct] reports, this was confirmed by Mladic's spokesman, who is being cited by the independent daily NASA BORBA today.

According to rumors that were circulating in Belgrade, Milosevic reportedly held Mladic in Belgrade, and would not allow him to [words indistinct] in the Serbian entity.

Independent Radio B 92 yesterday reported that Milosevic had met with Mladic and suggested to him that he turn himself in to the Hague tribunal.

B-H: Krajisnik Calls Serbs To Unite Against RS 'Enemies'

AU2705070296 Banja Luka GLAS SRPSKI
in Serbo-Croatian 23 May 96 p 1

[Interview with Momcilo Krajisnik, chairman of the Serb Republic Assembly, by N. Puvacic; place and date not given: "They Shall Not Divide Us Into Eastern and Western Serbs"]

[FBIS Translated Text] The latest meeting between Serb Republic [RS] Assembly Chairman Momcilo Krajisnik and Carl Bildt, the international community's high representative, has elicited great interest in both the domestic and foreign public, all the more so as there was no statement or detailed announcement about the course and results of the talks.

That is why we asked Mr. Krajisnik to comment on the talks for GLAS SRPSKI:

[Krajisnik] They have tried to politicize the normal constitutional procedure envisaged for removing the prime minister, who is an enemy of the RS, and have given themselves the right to defend Prime Minister Rajko Kasagic. At one point, they interfered significantly with our state's internal affairs, not because of him, but because of their own interests. We are pleased about the many reactions from RS citizens, and from Mr. Kasagic himself, who refused to be protected. Now that we are implementing peace, President Karadzic appointed a deputy prime minister to carry out certain duties. The possibility of holding a referendum is the RS's message to the international community, if it has any doubts regarding the Serb people's commitment, that it upholds the policy officially presented to the international community, which is in accordance with the Dayton agreement. We are, therefore, willing to organize a referendum that would be overseen by the international community, of course. It would allow the people to express their support for this policy and leadership. The proposal was submitted to the Assembly and we informed Mr. Bildt and his aides of this. In response, they expressed the opinion that this could be understood as a blow to the Dayton agreement. They are well aware of what the Serb people want, and that is why they are reacting in this way.

[Puvacic] Mr. Krajisnik, Prime Minister Klicovic's statement, namely, that the referendum depends on the results of talks with Carl Bildt has had various interpretations; one such interpretation claims that the RS's every political step is dependent on the international community, which has placed us in an inferior position?

[Krajisnik] We have said to Mr. Bildt: If you, gentlemen, do not believe that the Serb people support their leadership and its policy, we suggest a referendum. When Mr. Klicovic suggested this, he wanted to say that if they continue to insist we change our policy and accept their imposed solutions, then we shall organize a referendum. We are ready to ask the people any question, because the people's trust and assessment are the most important thing.

[Puvacic] Would organizing a referendum be prejudging the elections in a certain sense, as this is the ruling party's policy. What would the opposition say to this?

[Krajisnik] When national interest is at stake, we do not want all this placed in the context of how this government wants to stay in power at all cost; we do not want relations between the ruling party and the opposition to deteriorate because of this issue. The referendum was a test and suggestion for the international community, which wanted to interfere in many of the RS' affairs and that is not in accordance with the Dayton agreement. We think there is no need for a referendum. The referendum would be the people's response if we were to assess that the RS was threatened.

[Puvacic] It is known that Mr. Alija Izetbegovic expressed "deep concern" over the possible referendum in the RS, because he knows that the people would certainly support President Karadzic.

[Krajisnik] I can say responsibly that Mr. Karadzic is least concerned about whether he or someone else will be in power. After all, he did not run for president when the current authorities took over in 1990. The most important thing at the moment is for the people and leadership to be together, because we have a great number of enemies who wish to destroy the RS and reintegrate it into Bosnia-Herzegovina. Mr. Izetbegovic knows exactly what the Serb people here would decide and he is afraid of Mr. Karadzic and the option supported by the Serb Democratic Party [SDS]. He would like this option and Mr. Karadzic to fail, all the time hoping that some other option would fulfill his wishes and the plans he promotes through international community representatives.

[Puvacic] How would you comment on yesterday's statement by Mr. Kasagic about his agreement with President Karadzic?

[Krajisnik] Mr. Kasagic is an SDS member and he is our man. He certainly made mistakes, but we do not discard our people, and we do not wish to destroy people who make mistakes. After all, every patriot and Serb is important to us. I have to say that his sponsors had their interests which led Mr. Kasagic to make mistakes, but we never view a man's activities in light of one wrong move. Since 1990, Mr. Kasagic stoically and devotedly fought for the Serb cause. That is why the SDS Main Council and the assembly will assess his work. In any case, we will not hand over any man of ours to our opponents, nor do we want them to defend him. We are very happy that Mr. Kasagic made the statement. This is the real Rajko Kasagic, who was part of the top leadership the whole time. Moreover, I hope that every mistake, thank God, can be remedied if the consequences are not too grave. In any case, the plans of many people have not come true, and we can be satisfied. Of course, we still have a very difficult and thorny road before us. We must do everything to maintain an integral republic.

[Puvacic] Brcko is obviously the lower threshold of Serb national sensitivity. This is the issue that will test the Dayton agreement and open possibilities for pressure on the Serb side, while internally there is a lot of speculation about the territorial breakup of the RS?

[Krajisnik] We shall soon hold a meeting of experts, politicians, and intellectuals who will review the problem before the Brcko arbitration. I wish to stress that Brcko is not only the town of Brcko citizens, but of the entire RS, and all of the RS must support Brcko. It must support it, it must fight for the town, for our corridor. There can be no eastern part of the state without the western part. I am convinced that when we Serbs are in a very difficult position, we stick together; when we sense danger, we Serbs are united. No one will divide us into western and eastern, northern and southern Serbs. There is no state with as many enemies as the RS, nor has any state weathered all blows as easily as we have. We must not allow others to cause a rift between us, nor defend us. Serbs in Pale, Visegrad, Brcko, Banja Luka, or Prijedor all think the same. If we do not defend the results of our struggle, we shall not have the RS, RS Assembly Chairman Momcilo Krajisnik told GLAS SRPSKI.

B-H: Krajisnik: No One Can Impose Leadership on Serb People

LD2405213496 Belgrade SRNA in Serbo-Croatian 2007 GMT 24 May 96

[FBIS Translated Text] Sarajevo, 24 May (SRNA)—Serb people do not betray their leaders and will never allow the international community or any outsider to impose a leadership on them, Momcilo Krajisnik, the speaker of the Serb People's Assembly, said tonight.

"The Serb leadership is an experienced team with very few differences among them," Krajisnik said in an interview to Serb Radio and TV.

According to him, "the best confirmation [as received] of what people want is a referendum, and no one has the right to threaten the people with sanctions because of it."

"If the people, the republic, or the achievements of the four-year war are under threat, we will raise the referendum issue," Krajisnik said, adding that he will inform the deputies about this issue, but that it will be up to the Assembly to finally decide.

"The issue of Brcko is of vital interest for the Serb people and there can be no deal on it," Krajisnik warned and added that without Brcko there is no Serb Republic.

"If arbitration is to be considered, we will prepare well and in this we have the support of the institutions of Yugoslavia, the guarantor of the Dayton agreement, the speaker of the Serb People's Assembly said.

B-H: Buha Comments on Karadzic, POW Exchange, Elections

AU2505202396 Banja Luka Srpski Radio Network in Serbo-Croatian 1700 GMT 24 May 96

[Report by Zoran Zuza]

[FBIS Translated Text] [Bosnian] Serb Republic Assembly Chairman Momcilo Krajisnik and Foreign Minister of the Serb Republic Aleksa Buha talked to the deputy senior envoy of the international community, Michael Steiner, about different aspects of the Dayton accord implementation, particularly the upcoming election and the exchange of the so-called post-Dayton prisoners. Zoran Zuza has a report.

[Zuza] According to the foreign minister of the Serb Republic, Aleksa Buha, one of the topics of discussion at today's meeting was the upcoming election. [Words indistinct], said Buha, that the Serb Republic has, in principle, completed the preparations for the election anticipated by the Dayton accord by nominating election committees and making up lists of voters.

Asked whether there had been any discussion of the political future of Serb Republic President Dr. Radovan Karadzic, in view of the great pressures of the international community for him to be removed from the political scene, Buha said that that part of the talks had been finished after Carl Bildt's last visit to Pale, and added:

[Begin Buha recording] [Passage indistinct] reached an agreement, a solution that, relatively looking, satisfies the [words indistinct]. [end recording]

[Zuza] (?Confirming) the possibility for the Serb Republic to hold a referendum at which the people would decide upon the legality and legitimacy of the leadership of the Serb Republic, Buha said that this will not happen unless the international community accepts the agreement between Chairman Krajisnik and Carl Bildt as a permanent solution, adding that this solution is based on the well-known decision of the president of the Serb Republic to assign part of his tasks to Serb Republic Vice President Biljana Plavsic.

Another issue discussed at today's meeting was the exchange of prisoners, particularly those arrested after the Dayton accord had been signed. According to Minister Buha, there are about 10 of those on the Serb side, while the Federation authorities are holding 15 Serbs.

[Begin Buha recording] We received a list from the Federation today, [words indistinct] the post-Dayton prisoners, and [words indistinct] to be verified and for us to agree upon the exchange, that is, [words indistinct] [end recording].

[Zuza] Michael Steiner, deputy senior envoy of the international community, was not in the mood to comment on the results of today's meeting.

B-H: Serb Vice President Defends Policy, Views Regional Ties

LD2505153996 Belgrade SRNA in Serbo-Croatian 1300 GMT 25 May 96

[FBIS Translated Text] Belgrade, 25 May (SRNA)—Biljana Plavsic, vice president of the [Bosnian] Serb Republic, has denied allegations that the Serb Republic leadership is "uncooperative" and its "policy isolationist."

"This is not true and there is no logic in it. Although I cannot say that the Dayton agreement is something that satisfies our interests, it is important for the Serb Republic that the agreement is being implemented, most of all because it has brought peace," Plavsic said in an interview for NASA BORBA today.

Speaking about disagreements with representatives of the international community with regard to the implementation of the peace agreement, she said that "if any goal is to be achieved, certain principles should be set. The basic principle was equal treatment for all the sides in the conflict and in practice this was called into question."

"The equality of the Serb side in the Muslim-Croat federation was called into question. The Serbs continued to be treated as the only culprits. The [Dayton] agreement should have put an end to this and if such a practice continues the Serbs can become uncooperative," the Serb Republic vice president said.

Commenting on the work of former Prime Minister Rajko Kasagic, Plavsic said that "he who considers himself the prime minister of the Banja Luka region and not of the Serb Republic is not for this job. It is not up to the international community to support such a person, it is up to his own people."

As far as relations between the Serb Republic and Serbia are concerned, she said it was a bad thing that "the two systems were ideologically different."

"Both sides should bear it in mind that we have one united Serbian nation. If this is acknowledged we will have better relations and the bad ones will be negligible," the Serb Republic vice president said, adding:

"Our ambition is that this country should continue to develop with the best of its Serbian traditions preserved. We are for capitalism with a very good social program."

Predicting the outcome of the elections in the Serb Republic, Plavsic said that "only the [ruling] Serb Democratic Party and some national parties can guarantee survival in the Serb state."

B-H: Serb Officials Discuss Need To Prevent Serb 'Isolation'

LD2605181596 Sarajevo BH PRESS in Serbo-Croatian 1706 GMT 26 May 96

[FBIS Translated Text] Sarajevo, 26 May (BH PRESS)—Dr. Mirko Pejanovic, member of the Bosnia-Herzegovina Presidency and president of the Serb Civic Council of Bosnia-Herzegovina, today received Miodrag Zivkovic, chairman of the Social-Liberal Party from Banja Luka. Present at the meeting was Professor Dr. Ljubomir Berberovic, a member of the Academy [Bosnia-Herzegovina Academy of Arts and Science].

During the meeting, stress was laid on the need for the strengthening of forces in the Serb entity which would

prevent the present isolation of the Serb people and enable the implementation of the Dayton Agreement.

Pejanovic and Berberovic informed Zivanovic about the preparations for the convening of the Third Assembly of Bosnia-Herzegovina citizens of Serb nationality, which will be held next July. There was also talk about the Serb Civic Council's activities in Bosnia-Herzegovina, especially the ones relating to the return of Serbs to the areas which have been reintegrated into Sarajevo.

B-H: Serb Army Spokesman Cited as Saying Mladic in Bosnia

LD2405192496 Zagreb HTV Television in Serbo-Croatian 1730 GMT 24 May 96

[Report by correspondent Zeljko Valcic over video of UK Prime Minister John Major in Bosnia]

[FBIS Translated Excerpt] Britain will end its mission in the Implementation Force [IFOR] when the international Implementation Force's mandate expires, which means at the end of the year, British Prime Minister John Major said in Banja Luka, the first stopover during his one-day visit to Bosnia-Herzegovina. [passage omitted]

The media are still focusing on speculations and half-truths concerning the alleged arrest of Ratko Mladic in Belgrade. This was denied by the Bosnian Serb army spokesman, Colonel Milutinovic. He said that Mladic has returned to Bosnia and that rumors about his arrest are attempts to destabilize the unity between the leaders and the people. [Video shows Milutinovic speaking in front of the Banja Luka garrison command building] [passage omitted]

B-H: Belgrade Daily Denies Gen Mladic Arrested in FRY

LD2505144196 Belgrade SRNA in Serbo-Croatian 1258 GMT 25 May 96

[FBIS Translated Text] Novi Sad, 25 May (SRNA)—General Ratko Mladic, commander of the main headquarters of the [Bosnian] Serb Army, has not been ar-

rested in Yugoslavia, today's VECERNJE NOVOSTI reports, citing sources in the information service of the [Bosnian] Serb Republic's main headquarters.

The Belgrade daily says that it learned from the main headquarters of the Serb Republic Army that Gen. Mladic, after the funeral of Gen. Djordje Djukic in Belgrade, returned to the Serb Republic and "was yesterday on the ground carrying out his regular duties."

VECERNJE NOVOSTI thus denies reports in DNEVNI TELEGRAF that Gen. Mladic was detained in the Federal Republic of Yugoslavia [words indistinct].

B-H: 2d Corps Demobilizes in Accordance With Dayton Accord

AU2405201796 Hanau NOVA BOSNA in Serbo-Croatian 24 May 96 p 9

[Report by F.K.S.: "Professional Brigades"]

[FBIS Translated Text] The 2d Corps in Tuzla has carried out all the tasks connected to the demobilization of its soldiers in the manner envisaged by the Dayton accord. Arms were deposited in the place determined by the Implementation Force, while all the remaining soldiers pulled back into the barracks. As we have learned from Akif Kusljagic, a senior officer in the 2d Corps command, out of about 70,000 soldiers, which is how many this corps numbered during the war, only about 5,000 remain. They will be assigned to four to five professional brigades, while all others will be transferred into the reserve corps.

The formations and the makeup of these professional brigades will depend on the type of arms the Bosnia-Herzegovina Army will receive. For instance, if these happen to be U.S. arms, then it is already known now, following the rules in the U.S. Army, how individual infantry, artillery, armor, or air force units will look, which will greatly facilitate the formation of these professional brigades.

Croatia: UN Troops Attacked in E. Slavonia; No Casualties

AU2405144796 Paris AFP in English
1433 GMT 24 May 96

[FBIS Transcribed Text] Zagreb, May 24 (AFP)—UN troops stationed in eastern Croatia opened fire with tanks and mortars near the town of Vinkovci after they were fired at overnight, the UN said Friday.

Meanwhile, Croatian radio reported two villages in the area had been bombarded. Quoting local police, it said Privlaka and Otok had come under artillery fire, but there were no casualties.

Police said rebel Serbs were responsible.

The UN troops are stationed in Eastern Slavonia, the last part of Croatia still held by rebel Serbs, which is under UN administration. It is due to return to Croatian control within two years.

In a statement received by AFP in Belgrade, the UN Transitional Authority in Eastern Slavonia (UNTAES) said UN troops had returned fire after a "grave violation of the ceasefire" at 9 p.m. (1900 GMT), southwest of the village of Orolik.

The deputy transitional administrator of Eastern Slavonia, Derek Boothby, said in Zagreb there were no casualties on the UN side "nor to our knowledge on the other side."

Boothby said UN troops in the area of the Djelatovci oil field had come under fire during the last few nights.

"This happened again last night and fire was returned, not just rifle fire but also some heavier tank fire and mortar fire," he said.

He said about seven or eight tank rounds had been fired in reply to automatic fire.

"The idea is to remind people that we don't take kindly to being fired on and we want people to understand that we'd like them to stop," he said.

Asked who was responsible, Boothby said former members of the paramilitary group, the Skorpions, were in the area ten days ago. "It could have been remnants of that force," he said.

UNTAES spokesman Philip Arnold said it was not possible to determine exactly who was responsible.

Croatia: Tudjman Addresses Presidential Council

LD2605153296 Zagreb Radio Croatia Network
in Serbo-Croatian 1121 GMT 25 May 96

[Address by President Franjo Tudjman to the Presidential Council at the Presidential Palace in Zagreb on 25 May—recorded]

[FBIS Translated Text] Ladies and Gentlemen: By way of introduction to this discussion, I would like to explain why Croatia's international position is on today's agenda. The reason is that there is a lack of understanding and one-sided interpretations of Croatia's acceptance into the Council of Europe in the domestic and world press. It is also on the agenda because Croatia is being considered for inclusion into a Balkan integration framework.

In order to fully understand these issues of crucial importance to Croatia's future, we must understand the following: how Croatia was established as an independent state; the war for the homeland; Croatian policy toward Bosnia-Herzegovina; Croatian policy toward Serbia and the Serb population in Croatia and Yugoslavia; and Croatia's attitude toward the EU and the United States. It is also particularly worthwhile to assess in this context how international factors tried to influence internal political developments in Croatia in a manner which is unprecedented in international relations.

I believe that without noting important moments in these events, it is impossible to have a correct perspective on the issues we face today—Croatia's joining the European, or, as they wish to (?enforce) upon us, Balkan [word indistinct].

Concerning the establishment of the Croatian state, we should recall that the Socialist Federal Republic of Yugoslavia was an important player on the international scene and that all the international players and the EU were supporting its survival. In the EU, France, Germany, Great Britain, and Italy were all equally in favor of its survival. This is no less true of the United States and Russia. Yugoslavia of any kind was acceptable to them.

Let me remind you that in World War II Churchill, and therefore the West, accepted Tito as a communist and as the most bitter opponent of Serbia and of the West. Yet Churchill accepted Tito because he was rebuilding Yugoslavia, because that was the only way to rebuild Yugoslavia.

In the Yugoslav crisis an understanding was reached between the Western players and Belgrade that Slovenia could secede from Yugoslavia but Croatia could not. It was demanded, as a kind of a concession, that Croatia

remain in Yugoslavia, that all the Serbs have the right to live in one state. In such circumstances, neither Serbia, nor its policies—nor Milosevic with his attacks on Tito's federalism—were to blame for the collapse of Yugoslavia, but Croatia. Croatia was the main culprit.

The Serb uprising was incited, organized, and armed not because the independent democratic Croatia was a continuation of Pavelic's Independent State of Croatia, but because everyone, from Belgrade to the West, was against any independent Croatian state.

When Croatia was established, the internal state of affairs was even more unfavorable because a Croat, Ante Markovic, was at the head of the Yugoslav federation in its final days. With support from the West, he wanted to preserve the democratic Yugoslavia. Opposed to him, and at the head of the Yugoslav Army, was a Croat—although he is only half-Croat—and Western circles interpreted this in the following way: What do you Croats want? You hold almost all the power in Yugoslavia.

Kadijevic and the Yugoslav Army were in favor of preserving the Titoist federation, and a centralized one at that, so that secessionist forces in individual nations could be suppressed.

Other republics favored a modified federation or confederation. Slovenia, however, wanted to get out because from the very beginning it had a silent if not open agreement. Macedonia and Bosnia-Herzegovina were...[pauses] as Mr. Izetbegovic once told me directly in a conversation: If the Slovenes want to go and the Serbs let them, so be it. You Croats could have more confederal rights, and Bosnia-Herzegovina could develop closer ties with Serbia.

Clearly, Montenegro's policy was overshadowed by Serbia, and the Macedonian view was close to that of the Bosnians.

In such circumstances the war against Slovenia—enforced by Markovic with permission from the Western circles who favored preserving a whole Yugoslavia—did not prevail, because, as I said, others agreed to Slovenia's secession. This war was, in fact, a trap for Croatia.

There were even suggestions from the circles close to me that Croatia should get involved in this war, that it should help Slovenia. It is clear now that this war was stopped because Serbia and the Yugoslav Army for the most part agreed that Slovenia could go.

Had Croatia gotten involved in this war, it would have been a trap. The Yugoslav Army would have attacked Croatia with all its might and the West would

have welcomed this as the destruction of Croatian secessionism.

The organization of the Serb rebellion in Croatia, the occupation and formation of Krajina, was either aimed at forcing Croatia to remain in Yugoslavia or at conquering Croatian territories for Greater Serbia so a crippled Croatia could not survive.

At the beginning of 1990 and again in the summer of 1991, the world silently, if not entirely openly, approved of Belgrade's and Yugoslav Army's policies. In autumn 1991 it awaited and wanted the defeat and disappearance of the independent Croatian state. When an all-out offensive against Croatia started, the UN Security Council adopted the resolution on the arms embargo for the Yugoslav republics in September 1991. What did this mean? It meant that the hands of the Yugoslav Army, which was the fourth most powerful armed force in Europe, were left free while Croatia was defenseless. Clearly, conditions had to be created for the victory of such policies and the defeat of Croatia.

At the time of the Yugoslav Army's all-out offensive [break in reception]

Throughout the homeland war we were faced with attempts to shackle and thwart our own independent policies aimed at the survival of the Croatian state. We had no direct support from anyone, either in the creation of the army or in decisionmaking. The most we got was the Z4 plan which the gentlemen who presented it in Croatia—Galbraith and Ahrens—obviously did not draft alone, although they gave it a personal touch.

All important international players were united in their opposition to all of our decisions: against the decision to liberate Maslenica to establish links between northern and southern Croatia, Dalmatia; against the cancellation of UNPROFOR's [United Nations Protection Force] mandate; against Operations Flash and Storm; and, of course, against Operation Mistral in Bosnia.

They always offered the same explanation: These steps of yours will lead to the escalation of the conflict; Yugoslavia and Russia will inevitably be drawn into the war amounting to a world war; you are thwarting the efforts of the EU and the United States. Hence, throughout all these occasions, we were threatened by sanctions and issued with friendly warnings like this: You know, we are concerned about you, you are not able to liberate the occupied areas by force, you cannot liberate them. After Flash, they said: You cannot take control of Knin. After Flash, which, as you know, took place in early May, on 31 July I ordered my generals to launch Operation Storm according to our plans. A day later, on 1 August, I received an oral and written

recommendation, which was not only a recommendation but a demarche, with the same arguments. Nevertheless, we were in Knin on 5 August.

Our military victories have changed strategic relations in this part of Europe. As a regional power, Croatia has established partner-like relations with the United States. It enabled the United States to acquire a leading role in ending the war and made Dayton possible. Therefore, we have achieved the greatest possible success: friendship with the world's leading power, but also the envy of those in Europe who failed to live up to the situation and who (?supported) my policies, as well as of those in America who cannot reconcile themselves to independent Croatia.

The controversial issue of Croatian policy in Bosnia-Herzegovina is constantly being raised, both on the internal political stage and on the international one. In the first case there are misunderstandings, while international policy attempts to put an equal sign between Serbia and Croatia, to proclaim Croatia as the aggressor and to impose sanctions against it.

In such circumstances, the aim of Croatian policy was to secure the survival of the Croat identity in Bosnia-Herzegovina and to secure the strategic interests of the Croatian state, having in mind its geopolitical form and position. To prevent the Serb imperialist plan, which was incorporation of Croatia into Serbia—if not the whole of Croatia, then Croatian territories from Zrmanja [words indistinct] to be incorporated into Serbia. The set minimum was to incorporate into Serbia all Croat areas east of Neretva. This was the reason for the attack on Dubrovnik.

Another aim of Croatian policy was to secure cooperation and alliance with the Muslims. This was happening at the time when the Muslim leadership was unprepared for resistance, for the aggression of the Yugoslav Army and Serbia, when, on the contrary, they still harbored illusions that the Yugoslav Army could protect the Muslims from the aspirations of a Greater Serbia.

Recently we were reminded on television of how Mr. Izetbegovic himself appealed to Herzegovina residents in Siroki Brijeg to support the Yugoslav Army in its march towards Split and Croatia.

Thus, our policy in such circumstances was not simple; it was very complicated but proved to be very efficient and appropriate. With this policy and the military setup of the Croat Republic of Herzeg-Bosna, we were able to secure what I have mentioned—the strategic interests of Croatia and the Croatian state, and thus lead the way to the Washington agreements.

Why did the Croat-Muslim conflict break out? Not because there were extremists on both sides. Indeed, there were. But that was not the main reason. These are the main reasons: When plans were being developed within the European conference to resolve the Bosnian crisis by creating a union of three republics, the Muslim leadership insisted on access to the sea at any price. It is in the strategy of all Islamic states, and this concerns our Muslim leadership as well, that if a state does not have a direct link with another Muslim state, this link should then be secured through access to the sea, in this particular case by conquering Mostar and expanding [pauses] ...there have even been talks with the Serbs in connection with taking over the area east of the [River] Neretva.

As for the Washington Agreement, we have achieved what we wanted—cooperation with the Muslims—because they were the victims in the eyes of the world, because the West took care of the Islamic states, because in this way we are achieving our strategic interests. [sentence as heard]

The Washington agreement establishing the Croat-Muslim federation, which, according to this agreement, should have confederal ties with Croatia.... [pauses] A U.S. professor of international law, who became a Muslim ally, described the aim of this agreement... [pauses] such a solution, whereby the federation is linked with Croatia, thus completely changing international relations in this region. [sentence as heard]

The idea of the federation was to ensure our strategic interests, not just Croatia's, but also those of the West. The West conducted its own policy toward us and Serbia, allowing Serbian aggression, which assumed such horrendous genocidal proportions. It did not want to allow the creation of a separate Muslim state in the middle of Europe.

Likewise, the West didn't want a conflict with the Islamic world over Bosnia, and it suggested an alliance or cooperation with the Muslims through a federation to ensure there is no separate Islamic state that could provide support for extremist, fundamentalist currents in the Islamic world, and that Croatia would provide a link between the federation and Western civilization.

On the Croatian political scene, we have been faced with a lack of understanding from day one. Today, and I don't now how much the media have reported on it, but I received letters asking me how I could possibly be talking about linking Zagreb with Dubrovnik and Split via Bosnia, and not directly through Lika, etc. Our people do not understand the strategic importance of such a solution, both for Croatia and for the West.

The fact is that we have come out of this very complicated crisis in Bosnia-Herzegovina by conducting our policy such as it is, thus securing Croatian interests to the highest possible degree and even winning over a number of Western players, from Europe to the United States, who were originally not in favor of Croatian policy.

The federation is the best we could do. In this Bosnian crisis, in the world today, the federation is a big [word indistinct] for Croatian policy. The problem of implementing the federation and linking it with Croatia can be resolved only if all sections of the Croatian political, economic, cultural and scientific life are involved in these efforts.

Another controversial issue is our policy toward the Serbs and Yugoslavia. Our policy toward the Serbs in Croatia—from Raskovic to Podunavlje—has always been as follows: not to give any malicious or uninformed people any cause for criticism; that is, those people who are constantly saying that we are the continuation, the resurrection of the NDH [Independent State of Croatia] in everything we do, including our policy towards the Serbs.

Ever since the establishment of our constitutional and legal foundations, ever since my talks with Raskovic when I told him: As you Serbs in Croatia do not recognize Serb communists in Croatia as your representatives, do tell us what your demands are and we are prepared to meet them within the framework of general principles concerning the problems of ethnic communities and national minorities in Europe and in the world. You know what happened in the end.

Ladies and gentlemen, we have allowed the same thing to happen today. As I said, the Serb uprising in Krajina was a way toward the confederalization of Croatia, with the Z4 with Krajina as a separate republic, with ideas about a transborder Istria. [sentence as heard]

The plan, which included the crisis in Zagreb, was aimed at destabilizing Croatia and forcing it to accept the Z4 plan and, consequently, Yugoslavia, and at returning Croatia to the Balkan framework.

We accepted the peaceful reintegration of the Danubian region because we wanted to prove to the world that we favored a democratic solution, that we didn't want all Serbs to leave Croatia, that we were for the normalization of relations with all states on former Yugoslav soil, including Serbia and Yugoslavia. However, we will not agree at any cost to some kind of autonomy for the Croatian Danubian region, i.e. Slavonia, Baranja and Western Srijem, or to a diluted form of the Z4, as some Serbian and international circles are saying.

And that Z-4 is so firmly embedded in the ideas and heads of certain players! Believe it or not, after Operation Storm, after everything that happened, some foreigners suggested going to Belgrade to bring back Babic so he would accept Z4.

Enough of that problem with the Serbs. But let us also mention Prevlaka and developments with the Prevlaka problem. When Europe had already accepted—and in part also the Americans, later they abandoned this—when they had accepted the idea that the Bosnian crisis should be solved as a union of three republics, which meant, of course, that each of the republics would go its own way, at that time the international players who were consulted in the Brussels negotiations said that all three of these Bosnian republics should have the right of access to the sea. Now, Bosnia-Herzegovina has access to the sea at Neum, so the Bosnian Muslims and Serbs have this.

Croatia, of course, has access to the sea. So, at the same time, if this were to happen, and if there was talk that the [Bosnian] Republic must be given access to the sea, of course we would not allow Croatian territory to be split again in another spot apart from Neum. In order to accept the proposal, those from the Serb Republic should give us territory in the Dubrovnik hinterland, for the security of Dubrovnik, while we were to give them access to the sea at the tip of Prevlaka, which would not split Croatia in two.

But when the plan on the union of the three republics failed, there was no more talk of Prevlaka. However, Belgrade continues to instigate it, even with the support of some international players. Why? So it could go on blackmailing us and force us to accept such, some... [pauses] some Yugo tendencies, Balkan regional integrations.

Therefore, we are for the normalization of relations with Serbia and Yugoslavia. Both Europe and the United States, from day one until today, have been supporting Serbia, even after our Storm and the victory in Bosnia, it did not want the defeat of Serbia [words indistinct]. But of course our wish for normalization, for making conditions for a stable international order, should not be transformed into our acceptance to join some Balkan regional (?integrations).

[Words indistinct] the international position of Croatia so far and attempts to influence the internal political and social development of Croatia in a way which has never been recorded in the history of diplomatic relations. What is the problem? Croatia, which has always been acted upon, has now become an active player in international policy, a player which does not fit in with the plans of some—I can say main—European

powers, from Versailles to this day, as well as those U.S. circles that are linked with the European ones and cannot reconcile themselves to a sovereign Croatia.

As a regional power, Croatia has made the end of the war and the Dayton Agreement possible, but the obligation to implement the federation has been imposed on it, which partly exceeds the interests of the Croatian nation and state.

Differences have been manifested within the EU among France, Britain, Germany, and Italy. Each has its own policy, but they are largely united in their attitude toward us, and they share resentment directed against the leading role of the United States in resolving the Bosnian crisis, against U.S. support for Croatia.

This resentment and the fact that some European players have accepted Dayton only for appearances' sake are reflected in direct attempts to compromise the Dayton Agreement, in Mostar, for example, at Croatia's expense [words indistinct].

The electoral battle between the Democrats and the Republicans in the United States is also being waged at our expense, both in Croatia and in Bosnia-Herzegovina.

European plans to force Croatia to remain within the Balkan regional framework in whatever form, as part of Euroslavia, an Adriatic and Balkan confederation, or a union of Southeastern Europe, are supported by powerful U.S. circles, as we can see from the activities of Soros, etc.

Meetings are being held at the level of the most important ministries, governors of national banks, and constitutional courts. Political solutions are being sought and proposals made to provide the technical wherewithal for Croatian Radio-Television to introduce joint television programs with Belgrade, Sarajevo, and Skopje, but not with—for instance—Ljubljana and other parts of Europe. Gentlemen, this constantly happens in all fields.

We are subjected to all forms of pressure, which go as far as attempts to destabilize the internal system by any means and, as I say, by diplomatic relations we have already seen... [pauses]

We face criticism of Croatian democracy from those who have been accepted by the Council of Europe as members—all those democratic countries like Albania, Romania, Moldova, and Russia—at a time when Russia has received support for its use of tanks against parliament or Chechnya.

Ladies and Gentlemen, in light of the general international circumstances I have mentioned, we are ready for constructive dialogue and cooperation, but not for humiliating conditions. One of the main reasons for this

meeting today, with so many people in attendance, is for me, as head of state, to get this message across.

As for the search in democratic Croatia for the roots and policies of Pavelic's NDH, as for authoritarianism and other epithets that have been slapped on us, we in Croatia have reasons to emphasize the results of Croatian antifascism. The foundations of the Croatia of ZAVNOH [state antifascist council of the people's liberation of Croatia] are built into democratic Croatia. There was more antifascism here than in the European countries—including France—which are trying to exert pressure on us and humiliate us in this way.

In response to the nagging and lecturing about European models and freedoms and about the necessity for Croatia to come closer to Europe and create the democratic and legal preconditions for admission into the Council of Europe, and for European integrations in general, our people—from the diplomats and politicians to ordinary people and media—must display more resolutely a higher level of national consciousness and show greater knowledge of and adherence to their historical links with European civilization, and their superiority to many of those who are disputing us in this. There must be more consensus among parties and more accord and harmony on all important issues of foreign policy when Croatia's national and state issues are at stake.

Since all this is about foundations, let us say that the foundations of Croatia's constitutional and legal system have a rich heritage—our own and a European heritage. We had the Korcula codex in the 12th century, the statute of the town and island of Korcula in 1214, the statute of Dubrovnik in 1272, the Vinodolski legal code in 1288, the Istrian charter in 1325, the Poljice statute in 1450, charters and golden bulls issued by Croatian-Hungarian kings on the free status of towns from the 13th centuries on. Even at times when Croatia's sovereignty was limited, the Croatian assembly functioned throughout history, and Dubrovnik signed international contracts from the 12th century on. Which European countries, and how many of them, can pride themselves on such traditions?

But because we were in the position we were in, we were not sufficiently prominent and did not know how to show them that they have no right to give us primary school lectures. Theorizing about the immaturity of Croatian democracy is more than tasteless, and Croatian people must be aware of that.

We must take every opportunity to remind the European and world public that Croatia has made a considerable contribution to the development of European culture, and that it certainly does not need to become a constitutive part of Europe in this or that way now.

We produced writers between the 15th and the 17th centuries—Marulic, Drzic, Gundulic, Belostenec—before and at the same time as most famous European writers, and certainly before Shakespeare, Moliere, and Goethe. Croatian Latinists, philosophers, artists, and scientists—Ivan Cesnicki, Jurje Klovic, Faust Francic, Franjo Peter, and Rudjer Boskovic—were eminent Europeans from the 14th to the 18th century, famous and influential from Budapest and Florence to Paris. In the 19th century, Zagreb, along with Prague, was the center of the cultural and political renaissance movement of the western Slavs.

Croatia not only made its contribution to the development of Europe's thought and culture, it also sacrificed many victims in the defense of Europe from the Ottoman invasion that threatened European civilization. Croatian poets left moving testimonies to the tragic position of Croats in the defense of the West—from Marulic's Prayer against the Turks in the 15th century to Mencetic's Admonition in the 17th century. In return, Europe showed its gratitude to Croatia through Venetian, German, and Hungarian imperialism, and almost regularly through its indifference by displaying its disfavor, caused by differing and conflicting interests of certain European powers.

Ivan Cesnicki, a humanist and Croatian viceroy and a participant in the wars in Bosnia in the 15th century, left behind inspired testimonies to this. While Croatia is bleeding in war and is being turned into ashes on Europe's bulwark, no help is forthcoming. Cesnicki wrote. France and Spain do not care; England is worried about internal problems; Germany is busy (?holding aimless assemblies); and Italy needs peace.

He understood, as well as other thinking Croats, that Croatia's survival and future depended on Croatia alone. That was clear to thinking people then and later. Unfortunately, many have not understood it to this day.

We should remind those who would like to subordinate us in one way or another to their own plans or spheres of influence, by lecturing us about the lack of freedoms and democracy in Croatia, of their reality and their mutual conflicts over the centuries. We should certainly remind them that our national being gave birth to the ode of freedom more than a century and a half before the French Revolution and the American war of independence, which are the foundations of their democracy; that we understood the role of great ideas and the fate of small nations and foresaw the disintegration of multinational states at the time of civilizational integration and national individualization; that we held several democratic elections under war conditions; that it was on the basis of the stability

of the democratic system of sovereign Croatia that we managed to achieve our military victories, which enabled the United States to assume a leading role in Dayton and made possible our own contribution there.

In connection with the problem and dispute concerning the present international position of Croatia, we should state clearly that with everything it has attained in the political, economic, and military field, Croatia has achieved the position of a first-rate regional player. Croatia is respected in world military and financial circles, in NATO, in the Pentagon, in the headquarters of the IMF, in the European Bank, and in main banking centers from Switzerland to Japan. We have achieved a partnership with the United States, the main world power, but lack a common purpose regarding the main European players and some U.S. elements, too. In Europe, everything is being done in all areas to include Croatia in a former Yugoslav, Balkan, Southeastern European regional area. As I have already mentioned, meetings of all kinds are being organized, at the state, political, economic and sports level.

Even the European sports decisions are being made in this spirit. The American representatives proposed openly to the general manager of HTV that they provide him with technical aid in organizing joint ex-Yugoslav programs, from Zagreb to Belgrade to Skopje.

I believe we would have the support of all the Croatian public for all this if we presented our stand well.

We are for normalization of relations with all states on the territory of Yugoslavia and the Balkan Southeastern European area. But we belong to and advocate integration with Central Europe. Historically and culturally, we belong to the same part of Central Europe as do Slovenia, Austria, Hungary, Slovakia, the Czech Republic, and Poland. We belong to the sphere of Western European civilization, not to the sphere of Eastern European Orthodox civilization. [Words indistinct] such an attitude is justified with the double dissolution of former Yugoslavia.

On this issue, which is of vital importance for the future of the Croatian people and Croatian state, the unity of all national and sociopolitical forces is necessary, as manifested in examples of all other nations and states in the past and today.

Croatia: Tudjman Closes Presidential Council Session

*LD2605210796 Zagreb Radio Croatia Network
in Serbo-Croatian 1118 GMT 26 May 96*

[Speech by President Franjo Tudjman to close the Presidential Council session at the Presidential Palace in Zagreb on 26 May—recorded]

[FBIS Translated Text] [Passage indistinct] I said that because they could not preserve Yugoslavia—and all the international players of Europe and the world were interested in doing this—because they could not prevent the establishment of an independent Croatia, they did everything in their power from day one to weaken Croatia so they could influence both its internal and foreign policies. Krajina should have served this goal with the Z4 plan—we were supposed to have a Serb republic, army, currency, and president 30 km from Zagreb. It was with this goal in mind that the request for the transborders of Istria was presented. It was with this goal in mind that not just one attempt and not just one program were made to destabilize the democratically elected authorities in Croatia. This culminated in the grave crisis in Zagreb that is still continuing.

Gentlemen, yesterday evening after the meeting I found one report on my desk, and this morning I found another. One says that Radio Istria is very active in Australia. It broadcasts interviews with the Istrian Democratic Assembly [IDS] leadership, claims that Istrians are a separate people and therefore need to go into a Europe without borders, without Croatia of course.

I found the other document today. I was sent a speech from the cabinet of Milan Panic which Panic, the former Yugoslav prime minister, gave at a conference on the reconstruction of Croatia and Bosnia-Herzegovina in Washington. He puts forward the idea of a free trade association of Southeastern Europe.

This reminded me that at the time of attempts to preserve Yugoslavia, the West—from London to the United States—did everything to make Yugoslavia acceptable both for its peoples and the world. You remember that the Karadjordjevs [Serbian royal family in exile] were sent from London and Panic from the United States. They all promised democratic freedoms, equality, a free market, democracy, and so on. When Panic, the gentleman who even now feels the need to send me such a letter, when he was in Belgrade and appointed prime minister—I want to remind you that I asked Governor Prkic, the governor of a U.S. state, to come to Croatia. [sentence as heard] He did come

to Croatia, but he did not get permission to become a minister in the Croatian Government.

From that time on, there have been forces acting in this area that would like to...[pauses] If they cannot ignore the Croatia that survived, then they would like a different Croatia.

Such forces should not be overestimated, but not underestimated, either.

As many of you said in the course of the discussion, the fate of the Croatian people and the Croatian state depends on us.

In that respect, we must be critical of ourselves and, of course, of Europe: Critical of ourselves in order to be resolute, successful, effective, and efficient in building a democratic society and in the economic, cultural, and scientific development of Croatia in all fields. We must be critical of Europe, but also look at it with understanding; not kneel before this Europe because this is not the first Europe in history. There was the Holy Roman Empire, and the Habsburg monarchy reigned for a long time over an area covering largely what is now the European Union. There were other Europes, such as that of Napoleon, I will not say anything about the others. Some other people have spoken about it here. This united Europe harbors so much disunity that it finds it difficult to act in harmony. Year in and year out, they compete in ensuring either direct political or economic influence for one single European power.

Therefore, it is necessary not only to aspire toward integration in the sense of civilization, technology, and economics, but also to safeguard national and state interests and independence.

We have established a democratic system in Croatia—which was important for all our successes on the international scene—without revanchism toward proponents of the Yugo-communist system. However, we will not and must not—in the name of all the history and the victims we have sacrificed—allow them today to threaten Croatian freedom and Croatian democracy with the help of those foreign circles that have not reconciled—and cannot reconcile—themselves to a sovereign Croatia, and which have their special plans for this area.

Our people have displayed sufficient maturity, and hence we will know how to protect the Croatian national and state interests in this whirlwind, while safeguarding and developing the democratic system.

Ladies and Gentlemen, Croatia's policy has never been to have ties only with the United States, or only with Europe as a whole, or with any one European country. I personally told Foreign Minister Mate Granic

that there can be nothing more important for Croatia than establishing the best, friendliest, closest, and most partner-like relations with the world's leading power, the United States, because the European powers have shown themselves to be disunited and largely anti-Croatian in respect to Croatia's independence, as well as impotent to solve the Balkan crisis. But I added that despite those things, despite our wish to ensure friendly relations with the world's main power, we must also develop relations with the EU, or, in other words, with the leading European states and powers. Under my instructions, he went first to the main European cities and then to Washington.

Therefore we have not made and will not make exclusive ties. We have from the very beginning been capable of estimating well our international position, and I will—we will—continue pursuing the same policy, as I have promised.

In terms of economics and security, we will continue to pursue the same policy, because the geopolitical region we are in is indeed exposed to conflicting spheres of influence, and in this region it takes a great deal of wisdom and courage, and above all stability and our own strength, to safeguard our future.

In connection with the reports that have been submitted, on the whole, we can be satisfied with our unanimity regarding important strategic issues. There have also been certain differences of opinion and approach, above all concerning our neighbors.

Gentlemen, we will have problems with our neighbors. We have problems now, and we will continue to have them. Aside from Hungary and Austria, there are problems with all our neighbors: Slovenia, Italy, Bosnia, and Serbia. We should bear this in mind.

I said this before, and I will not repeat it, but leaving the issue of Prevlaka open led to the president of Montenegro—what is he? President? —Momir Bulatovic saying the day before yesterday that the Yugoslav flag would unfurl on Prevlaka sooner or later. Not only is this his personal aspiration, and not only is it written on their diplomatic agenda, but they have support from those who did not want to be totally condemned and defeated as aggressors.

I believe that I share your view when I say that I was very pleased with the speech delivered by Dr. Pupovac. That is the first speech by a representative of the Serbs in Croatia that I have fully endorsed. This comes as a result of the changes that came into being, as I said in my opening address, primarily through the fault of the Serb policy of integration in this area, and by dragging the Serb population living in Croatia into that policy.

We did not want such a denouement—that 90 percent of them would leave Croatia—but we wanted the Serbs in Croatia to feel like citizens of Croatia, not like an instrument of foreign hegemony—Serb hegemony—in this area.

Democratic Croatia and I personally will pursue the policy that Dr. Pupovac yesterday spoke in favor of. Their civil rights, the rights of ethnic communities, should be recognized. They should be fully reintegrated into Croatian society. Of course, we must be aware that there will be problems in overcoming psychologically everything that represents a burden from the past and the last war.

However, it is in the interest of not only those Serbs in Croatia who remained and will remain in the Croatian Danubian region, but also in the interest of Croatia itself that we are successful in this regard, that we really make them feel like citizens of Croatia, not only because once they cease to be an instrument of imperialist policy, they will strive to become ordinary citizens, but also because Croatia has a small population. It is in our interest, not only for democracy's sake, but also in the interest of Croatia's normal development, that such relations with the Serb population in Croatia be established both legally and in real life, as Dr. Pupovac told us here.

Regarding the normalization of our relations with Serbia, two or three speakers expressed something we cannot agree with entirely, something that runs contrary to the desires of the important international, both world and European, players.

I said, ladies and gentlemen, that the world did not want Serbia to be completely defeated. We were not allowed to pursue our victorious operation in Bosnia-Herzegovina. But this would not have been a liberation of Croatian territories or protection of Croatian strategic interests any more.

We cannot jeopardize the national and state interest of Croatia for emotional reasons—because we would like Serbia and Belgrade to be defeated, destroyed. Policy cannot be led by the heart and emotion, but by reason. From the very beginning we had to follow the world.

If they wanted to preserve Yugoslavia at any price, then they wanted this war to end as soon as possible, but in such a way that relations between Croatia and Serbia normalized.

But, after all, this is not against our interests. We have ensured our interests, not only politically but also militarily, by our liberation, by defeating the Yugoslav Army and the Serb imperialist policies.

But we have to accept these aspirations of the world, which are not only—let it be understood—anti-Croatian and pro-Serbian, but which stem from world relations, from the attitude of the West toward Russia, which will always remain a Euro-Asian and Orthodox power, toward the Islamic world, and so on.

The world counts on Serbia as a player in the Balkans and Southeastern Europe. It is, therefore, interested in the normalization of Croatian-Serbian relations. The normalization could be in our interest, too.

The Scandinavian countries fought among themselves for hegemony for the last two centuries, up to 1905, and now they are ideal partners in every respect. France and Germany, which waged wars in the previous and this century, have a special relationship now that could not be better and which form the axis of the EU

So, after all our fighting and ideological conflict with Yugoslavia and nationalism and separatism, it is high time we drew the conclusion that it is possible to normalize relations between the independent and sovereign Croatia and Serbia. Whether they will have some Yugoslavia of their own—that is their problem.

But we cannot make conditions as if we could exclude Serbia, as if we had to demand that their leaders should be extradited to the Hague tribunal. If we pursued such a policy, it would be to our own detriment.

An interesting point was raised during the debate—that Croatia could become an exponent of a neutral policy, not just on its own but with some other countries. Neutralization is in itself an appealing idea, but considering where we are and that we have taken upon ourselves—because of our own strategic interests—the task of implementing the Croat-Muslim federation in Bosnia and linking this region with Croatia, Western Europe, and the civilized world, in this context such a neutral policy in Croatia is not possible because we cannot complete this task—which is not just in the interest of Croatia but also in European and Western interests—on our own. We need the entire Croatian national body to be involved, as well as comprehensive cooperation with Europe and the United States, of course, without idealizing Europe, but waging a policy with regard to specific problems.

As for admission into the Council of Europe, Croatian state policy is that we do not want to accept or sign any further conditions. We have been and we will remain constructive in resolving important problems concerning peace in Europe and in the world concerning a definitive solution to the crisis in the former Yugoslavia.

We have been and are interested in integration into the civilizational and geopolitical region I said we belonged to, but we will resolutely reject any attempt to be tied to regional Balkan integration. We believe—not only out of selfish interest but also because we firmly believe, and our judgments, not those imposed on us, have always proved to be right—that such an integration would not strengthen a new international order in this region but would cause further segmentation and conflicts.

We believe that we, as a sovereign Croatia and a Mediterranean and Central European country—linked with that cursed Balkan region via the federation—can influence this area precisely because we are an independent and sovereign country linked with Central Europe. In this sense we are not trying to escape from our own responsibility and our contribution, and we have proved this with our policy, from the realization of our internal development and war victories to our excellent contribution to the realization of the Dayton agreement, signed in Paris, to the Rome talks and the resolving of critical issues concerning the implementation of the federation.

This remains fundamental for our international relations: To ensure the implementation of these agreements while at the same time ensuring the stability of the democratic system and such a policy vis-a-vis international relations, which could on no account call into question our sovereignty. Thank you and good-bye.

Croatia: Granic Rejects Any New Balkan Alliance
LD2705190696 Zagreb HTV Television
in Serbo-Croatian 1730 GMT 27 May 96

[FBIS Translated Text] The possibility of new alliances in the Balkans, something we have heard a lot about recently, were also discussed [at the Ankara meeting of the Bosnian, Croatian, and Turkish foreign ministers]. Turkey's message is more than clear: It warns that the stability of the region cannot be ensured by enforced alliances. Croatian Foreign Minister Mate Granic comments:

[Begin Granic recording] I think there is a consensus that the Republic of Croatia belongs to Central Europe and the Mediterranean and that we wish to join European security, economic, and political institutions independently. Equally, we wish to help resolve problems, in particular those of Bosnia-Herzegovina and those concerning the strengthening of the federation. That is what we discussed most today.

We shall develop relations with all our neighbors and normalize relations with Belgrade, but we reject any new integrations, associations, and or other such

organizations. I believe we will enjoy Turkey's full support in this. [end recording]

Croatia: Official Protests Serb Mobilization in E. Slavonia

LD2705154196 Zagreb Radio Croatia Network in Serbo-Croatian 1300 GMT 27 May 96

[FBIS Translated Text] The Croatian Government's office of the transitional administration for establishing Croatian authorities in eastern Slavonia, Baranja, and western Srijem has sent a letter to the office of General Klein [transitional administrator of eastern Slavonia]. In the letter, Ivica Vrkic, head of the Croatian office, alerts the transitional administrator to the fact that despite the demilitarization that has begun in the area, which is under UN Transitional Administration in Eastern Slavonia [UNTAES], Serbia is still mobilizing people who live there into the Yugoslav army.

Vrkic stressed that the mobilization, which cannot be interpreted as anything other than a violation of the agreements signed in Dayton and Paris, must be halted. At the same time, he asked Gen. Klein to take all measures at his disposal to prevent the mobilization of Croatian citizens into a foreign country's army. He stressed that many of these citizens are of Hungarian, Slovak, and other nationalities and that their minority rights—guaranteed by the Croatian Constitution—are being violated.

Croatia: Official Rules Out Autonomy for E. Slavonia Serbs

LD2505205096 Zagreb HTV Television in Serbo-Croatian 1730 GMT 25 May 96

[FBIS Translated Text] [Unidentified correspondent] Let us remember the incident of two days ago when the rebel Serbs fired five shells toward the village of Otok in the Vinkovci area. We will link up with our Osijek studio, where Ivica Vrkic, head of the Transitional Administration, is waiting for us.

[Begin live relay] [Correspondent] Mr. Vrkic, good evening.

[Ivica Vrkic] Good evening.

[Correspondent] Let me first ask you how you would describe this incident. Could it be linked to the so-called Vukovar initiative, whereby some Serbs in the occupied area are demanding autonomy?

[Vrkic] There are two types of fire: Military and political fire. Military fire indicates that the process of demilitarization has indeed started. It is also a sign that those who have so far been freely plundering Croatia and its treasure in Djeletovci, as well as Croatian forests,

will obviously not be able to continue doing so after the demilitarization. That is why they are doing the only thing they can do now: Open fire on Croatia and UNTAES [UN Transitional Administration for Eastern Slavonia], thus working primarily against their own people.

[Correspondent] We should note the indicative fact that all this happened exactly when the implementation of the Dayton Agreement began in the Croatian Danubian area.

[Vrkic] That is right. The Serbs are trying to take advantage of this change in the situation, when they have to surrender their weapons, to change their political rhetoric. They are resurrecting the ambitions they were unable to achieve during the war. Those individuals who dragged their people into the war, into the occupation of the Croatian area, have lost the war, but have not given up on their political plans to achieve in peacetime what they failed to achieve in the war.

Of course, Croatia will not agree to this. Autonomy is out of the question. That is the area in which all Croatian citizens, irrespective of their nationality, will be able to live freely in two counties: Osijek-Baranja and Vukovar-Srem.

[Correspondent] Mr. Vrkic, thank you very much.

[Vrkic] Thank you, too. [end live relay]

Croatia: Serb Official in E. Slavonia Urges Serbs To Stay

LD2705173496 Belgrade FONET in Serbo-Croatian 1658 GMT 27 May 96

[FBIS Translated Text] Belgrade, 27 May (FONET)—Goran Hadzic, president of the Serb region of Eastern Slavonia, Baranja, and Western Srem, said today in an interview to Radio Yugoslavia that the only solution for local Serbs was to remain in that area.

Hadzic said "the normalization of relations between Belgrade and Zagreb would facilitate the situation in the area and its peaceful reintegration within the internationally recognized borders of Croatia."

According to him, the priority issues are peaceful demilitarization and the creation of conditions in the area for the return of refugees and revitalization of the economy.

"We must create conditions for permanent peace in these areas, and these conditions will be created if we turn to work, production, and the economy in general, something the international community is supporting," Hadzic said.

Croatia: Contact Group Meets Tudjman, Objects to Amnesty Law

LD2705182796 Zagreb HTV Television
in Serbo-Croatian 1730 GMT 27 May 96

[FBIS Translated Text] We have just received a statement from the president's office:

President Tudjman has received ambassadors of the contact group countries and Italy, which is chairing the European Union, accredited in the Republic of Croatia.

The ambassadors raised objections and expressed their concern about the alleged lack of explicitness and the ambiguity of the amnesty law that was adopted by parliament on 17 May.

President Tudjman said the Republic of Croatia was determined to make its contribution to a successful process of peaceful reintegration of the Danube area and that it would behave in line with the Constitution and laws.

The president of the Republic does not have the constitutional power to make amendments to the laws adopted by parliament. The government and the parliamentary justice committee will give a clear interpretation of the law, President Tudjman said.

Croatia: Commentary Rules Out Autonomy for Serbs in E. Slavonia

AU2805083896 Zagreb VJESNIK in Serbo-Croatian
24 May 96 p 1

[Commentary by Nenad Ivankovic: "Games Around Serb Autonomy"]

[FBIS Translated Text] Although the Serbs' historical dream of territorial autonomy in Croatia ended with Operation Storm, not all of the voices calling for its "resurrection" have died down entirely. Over the last couple of days this has been indicated by certain signals not only from Belgrade, but also from New York (UN Secretariat), and from some other European power centers. Finally, recent statements by Goran Hadzic must be regarded partly in the context of attempts to "wheedle out" territorial autonomy for the Serbs in Croatian Podunavlje [Danube river basin].

In addition, of course, it is not only a case of psychological and propaganda war against our country. It also represents serious attempts to dramatize the Serb problem once again in this delicate Dayton phase, which is characterized by the nervousness of the great powers because of a series of standstills and difficulties, but also some constructive mistakes in the plan itself. For Milosevic, the creation of Serb territorial autonomy in Croatian Podunavlje would be a double success. On the

one hand, he would be able to prove that he had not sold out the Croatian Serbs and practically forced them to commit political and military hara-kiri; on the other hand, such a "success" in Croatian Podunavlje would represent to him compensation for what will most probably happen in Bosnia: the loss of Banja Luka and the reduction of the Serb territorial loot to the belt along the Drina River.

There is no doubt that Milosevic has certain support in this from some of the creators of the failed Z4 Plan, and from those European and world circles that are trying to compensate for the lack of a strategic and geopolitical concept in this part of Europe by a "humanistic approach." The postponement of the admission of Croatia into the Council of Europe reveals such motives. They want to keep Croatia under constant pressure in order to be able to solve difficult Bosnian problems behind its back if it is not possible otherwise. The current difficulties in negotiations with Belgrade are so obvious that one does not need much imagination to think that Milosevic could be bribed with this or that kind of revision of the Zagreb-Erdut agreement.

However, this is counting the chickens before they hatch. Therefore, these people, and first and foremost Belgrade, must be warned that they already wanted more than they could have won (Z4 Plan), and that after that there came Operation Storm. Croatia is ready, and shows it actively, for peaceful integration and as much cultural autonomy for the Serbs as Europe prescribes in its best standards, but not one iota more.

Croatia: Article Sees Country as Target of Islamic Terrorism

AU2705153196 Split NEDJELJNA DALMACIJA
in Serbo-Croatian 25 May 96 pp 34-35

[Article by Emil Vidusic: "Are We a Target of the Islamic Jihad?"]

[FBIS Translated Text] If Zagreb has really managed to establish a network of good diplomatic, economic, cultural, military, and other relations with numerous Islamic countries, from Algeria, Egypt, and Iran to distant Malaysia, why are some of those states warning us that "after the United States, Croatia is first on the list" of the states that international terrorists, primarily the Islamic Jihad and "their brothers from Bosnia," will attack with bombs and other means? How can these two mutually exclusive processes—progress in diplomatic relations and terrorism—go together? Can international terrorists and the hot summer they have announced spoil the plans of the Implementation Force [IFOR] in Bosnia-Herzegovina and the ambitions of tourist officials in Croatia? Those are some of the questions

for which an answer has been sought in Croatia and abroad recently.

Only foreign media, to which the CIA has leaked information, have written about possible kidnappings and suicide actions by Muslim fundamentalists against IFOR and "friends of the United States"—among which Zagreb has been mentioned lately. Our media, which have reminded the public of the unsuccessful demolition raid in front of the police station in Rijeka last year and raised the Abdic case again, have not provided the public with enough details about possible objectives and targets of that kind of terrorism in Croatia.

It would be too careless to be satisfied with the conclusion that the demolition raid against the police station failed (accidentally) and that the assassination of Abdic also failed. All violence, modern terrorism included, has alternative targets, as well as reserve scenarios for action. Therefore, we should also consider other viewpoints besides the secret plans of the police and the army, as they do it in civilized countries.

The majority of Islamic countries do not favor terrorism. However, a number of Islamic capitals have been declared sponsors of international terrorism. It was proven that Syria was the patron of Hizballah and Islamic Jihad during the Israeli Grapes of Wrath operation, while Saudi Arabia is said to have supported violence with huge funds, while simultaneously trying to retain good relations and connections with the West.

Therefore, the two parallel resolutions—of Islamic fundamentalism to hate the West and of the Americans to conduct an energetic action and put an end to international violence forever—have not been presented in Croatia as much as they should be. Since the victorious military actions for the final liberation of the country last year, terrorism has been unjustifiably treated as an unimportant issue.

The NATO leadership has already said that they have means of protecting themselves from the approaching thunder of escalating terrorism. Although NATO and Croatia have been cooperating to a certain extent, it would be too much to expect the logistic formations of IFOR, who must protect themselves, to conduct extensive antiterrorist operations to protect the Croatian population. Such tasks will be carried out by the MUP [Ministry of Internal Affairs] and certain parts of the operative units of the Croatian Army, if necessary.

The main goals of possible terrorist actions against Croatia will probably be to discredit Croatia internationally and to stop the announced arrival of tourists on our Adriatic coast. Terrorists plan their attacks and choose targets. If Croatia has already been included, they must

have chosen Zagreb as the capital, Rijeka and Split as ports, and Opatija and Dubrovnik as tourist centers. Police headquarters, the offices of army commanders, government offices, schools, colleges, sports fields, and stadiums make attractive targets. Means of transportation might also be included—buses, trains, planes, and ships.

One of the extremely radical members of Jamaa Islamiyah, Salim-al-Korshani [name as published], recently threatened that "our revenge on Croatia will not be over until our leader, Abu Talal [name as published], is back in Copenhagen, alive and well," and added that "Zagreb will see that these are not just empty threats if Abu Talal is not released or if we are not informed about his present situation." A radical Islamic group from Bosnia-Herzegovina wants Abdic's life for his treason toward the Muslims. We should also take into account that numerous Croatian embassies and representations in the world might be endangered, as well as Croatian citizens traveling abroad.

Of course, terrorists never release scenarios of their actions in advance, but a case study of similar events worldwide might help to foresee a number of terrorist scenarios. The first is a diversionary action against one object in Croatia or abroad. The second is at least two actions conducted simultaneously, in Croatia or abroad. The perfidious third possibility is that terrorists might carry out an attack somewhere in Europe and blame Croatia.

Nevertheless, it would be nonsense to think that our country is terribly endangered, with terrorists swarming everywhere, or that it will become full of firearms and cold steel.

Croatia is not isolated in the fight against international terrorism. On the contrary, we are participants in the global attempt to root out that evil. Special units, especially the antiterrorist units of MUP and the army, are trained and equipped in the most demanding ways to fight terrorists of all colors and flags. Finally, the IFOR in Bosnia-Herzegovina has crack units for special assignments, with whom the Croatian forces can coordinate their actions if necessary.

Croatia: National Bank Governor Interviewed
96BA0272A Zagreb BANKA in Serbo-Croatian
Apr 96 pp 18-22

[Interview with Dr. Marko Skreb, governor of the National Bank of Croatia, by Zeljko Ivankovic "in late March"; place not given: "No Turning Back"]

[FBIS Translated Text] *The impending new deal with the IMF does not constitute a softening of monetary policy, and by that I mean that there will not be an expansion*

of cheap credit, as some think; under no circumstances will these funds go into consumption, and they will not bring a raise in wages, warns the new governor of the NBH [National Bank of Croatia].

Twice a Fulbright Scholar, at one time the youngest professor at the School of Economics in Zagreb, the author of many publications and books, the executive director of the NBH Research and Statistics Department, economic advisor to the president of the Republic of Croatia, and since February of this year the new governor of the National Bank of Croatia: This is Dr. Marko Skreb, born in 1957 in Zagreb, who in his inaugural speech before the Croatian Assembly said the following, among other things: "The time has come to finally begin thinking about the long-term aspects of the Croatian economy and the need to include it in European integration." We spoke with Marko Skreb on one of the first days of spring about this, but also about central bank policy, the long-term development of the Croatian economy, inflation, financial markets, bank reorganization, and financial discipline.

[Ivankovic] We have no doubt that your term in office will to a certain extent be characterized by continuity with Dr. Pero Jurkovic's term, but certainly there are also new tasks that await you. Can you expound on the goals that you have set out for yourself and any differences relative to the previous period?

[Skreb] Although this has already been discussed at length, I would nevertheless begin by saying that during Prof. Jurkovic's term several historic events occurred in the monetary sphere. There was the beginning of implementation of an exceptionally successful stabilization program, which has put Croatia at the forefront of all transitional countries in terms of low inflation. A permanent currency was introduced—the kuna. Croatia became a member of international financial institutions and very, very successful cooperation has been achieved with them, and a number of essential reforms in the instruments of monetary policy have been continued.

Some of these were one-time measures, such as the introduction of a permanent currency, admission to international institutions..., so that here it is not even a matter of continuity. But as far as maintaining a stable macroeconomic framework is concerned, I give absolute top priority to the need to preserve continuity with previous policy. Similarly, we must continue to modernize the instruments of monetary policy, although with regard to events in the past we should not expect radical changes. To me, for example, a radical change would be the abolishment of selective credits to agriculture, both conceptually and economically. Thus, I do not expect radical changes, but I certainly do expect

fine-tuning, advances toward the market, a continuation of the process of putting the final touches on monetary policy instruments. I see no need for radical reforms.

Besides what I have mentioned, our goals are to continue and accelerate the recovery of the banking system. This is a key concern, not only in terms of overall economic progress, but also in terms of pursuing a normal monetary policy. There is also the strengthening of financial discipline, the strengthening of supervision over banks and savings and loans, and we also cannot forget about expanding and deepening financial markets and tracking trends on the world financial scene. We can neither dictate trends nor set out the conditions on world financial markets; rather, we must be as adept as possible at adapting to them and deriving benefits from them. In that sense I would say that the fundamental goal is to continue the laborious, protracted—and I emphasize those two words—job of developing a modern financial system. And a modern system is a system adapted to the market, which will permit an effective allocation of resources and stable economic growth.

[Ivankovic] A "restrictive monetary policy," as it has become customary to say somewhat ritualistically, can be pursued with the current instruments (which the banks have often attacked), but such instruments can also be enriched. Is it expected that circumstances will change for the better in this way, or will the central bank "dictate the tempo"?

[Skreb] Certainly the instruments of monetary policy must be further enriched. This is a process that even developed markets must constantly undertake. Practices are constantly changing. Ten years ago no one talked about derivatives, but today they are commonplace. I agree with you completely that this does not depend only on the will of the central monetary authorities. It will depend primarily on cooperation with the Ministry of Finance and further finishing work on the financial markets. The basic legal frameworks are in place, but there is still much that we lack. Colloquially speaking, our financial markets are both shallow and narrow. Like the majority of other monetary authorities in market economies, the National Bank is oriented, or will be oriented, to a greater extent toward the development of indirect control over the solvency of the overall system. I am thinking primarily of transactions on the open market, and thus the effect on prices and the quantity of securities that each subject has in its portfolio. However, certain preconditions must be in place for that: You must have an adequate number of subjects on the market, they must have securities in their portfolio, and they must be willing to behave as maximizers of profits. I emphasize this third point, because unfortunately some economic

subjects still do not behave that way. Naturally I oppose administrative control in the form of a rough mandatory reserve, which is absolutely too high in our country. Likewise, I am opposed to direct control over credit. But that is a necessity for us for the reasons I have mentioned.

How does one achieve a larger number of securities? Who can develop financial markets? Primarily the state, and what I mean by that is the budget. The basic condition for the state to issue securities is that there exist a deficit. And it needs funds and collects them through various types of risk securities. If the financial markets are developing, then it is hard to talk about exclusively indirect control over solvency. There is a need to develop instruments, but I am afraid that we are not in a position to dictate the tempo; instead, we must try to cooperate and initiate.

[Ivankovic] When you talk about developing the securities market, are you patient, are you an optimist, or are you a patient optimist?

[Skreb] I would describe myself as a patient optimist. If I were not, I certainly would not have accepted this position. The challenges are great. But I would like to put the word "patient" in the context of a process. The stabilization program was something like a big bang. It happened over night, everyone liked it, and the short-term results were spectacular. Strengthening financial discipline is a terrible job. I would not want to tell you about everything that is being undertaken to return dignity to the instrument of the bank guarantee. This does not mean simply that you enact certain regulations on the NBH Council, or that the Assembly adopts laws; this is a daily battle with pressures, a battle with the inherited perception that someone else will pay my bills anyway.

[Ivankovic] Let us return to the question of instruments. When will foreigners be able to begin buying treasury notes? Do treasury notes live up to their purpose from the standpoint of the central bank, and have the banks been informed of their use?

[Skreb] It is difficult to respond precisely to your direct question of when nonresidents will be able to begin buying treasury notes. The question is whether they should even be allowed to do so. Why? Let us look at the purpose of NBH treasury notes. Naturally, there is a general goal, which is to develop financial markets in our country, the aim that banks and other financial institutions get used to dealing in, we hope, credible securities that are known to involve exceptionally low credit risk. Unfortunately, there is always some risk. But there is one much more important goal—to sterilize the surplus solvency of the domestic currency.

Over the past two years, we have had a relatively high influx of capital, and we are creating money through intervention on the foreign exchange market. The growth in monetary aggregates in 1994 and even in 1995 was very high, and our goal is to sterilize this solvency by developing treasury notes, i.e., to neutralize the negative effects. Thus, the goal is for banks not to have money in their assets that they place as loans, but rather for them to exchange it, substitute it—which is the definition of sterilization—with some other form of holding, in this case an NBH treasury note. That too brings certain advantages.

If foreigners were allowed to subscribe to treasury notes, then we would not achieve this goal. Foreign exchange would enter the country, which would lead to additional pressure to appreciate the rate of exchange, an additional influx of capital. Second, this would not be sterilization in any sense. Third, I must stress that sterilization is expensive. We pay relatively high interest. When all is said and done, it is expensive for the state, because it reduces the surplus of NBH revenues over expenditures. If foreign institutional investors could buy treasury notes in order to bring in foreign exchange that must be converted, that would certainly be very profitable for them. Compared to other countries, the yield is very, very high while the risk is relatively low. We could end up in a situation where the NBH has a so-called quasi-fiscal deficit. Personally, I do not see any particular reason for such a policy to be approved at this time.

As far as the treasury notes themselves are concerned, they have not entirely lived up to our expectations. Over the last six months, so-called voluntary treasury notes have been in the range of around 200 to 300 million kunas. That is relatively small when one compares it to the money supply, because it comprises 3 to 4 percent of the money supply. With 3 to 4 percent of those securities you will hardly be able to manage the significantly larger money supply, and that is the purpose of indirect instruments. At the same time, in mid-March the banks had around 3 billion kunas in mandatory reserve and mandatory treasury note accounts. Thus, there are 300 million kunas in voluntary notes and 3 billion kunas in mandatory reserves. We are aware of the negative consequences of that.

That is why I say that expectations have not been met entirely, but we also intend to further develop this instrument. In any event, it will not be abandoned until the market for risk securities is developed to a more significant extent. In that case, one danger that could arise is competition between those two types of securities, and naturally the NBH Council would reconsider the opportuneness of treasury notes in that light. However, treasury notes should not be

underestimated, and I think that in the foreseeable future that market (both primary and secondary) will develop in a positive sense. As regards banks, they are clearly more competent than they were two years ago, but out of 56 banks only a few of them regularly appear at treasury note auctions, with amounts that we have already discussed, thus, approximately 65 billion kunas in bank assets but only 300 million in treasury notes.

[Ivankovic] I would like for us to examine the attitude that it is the state's duty to develop financial markets.

[Skreb] I would say that it is the National Bank's duty as well, but it is primarily the security that the Ministry of Finance—and thus the state—issues that is the credit relationship between the state and the creditor. They are then traded on the secondary market. Until the state adopts that approach, it is not possible to talk about operations on an open market on a sizable scale.

[Ivankovic] Is it possible that Croatia is too small to have its own securities market?

[Skreb] I would not say that it is small. First, Croatia must be open. Just as Pliva got a listing on the London Stock Exchange, other Croatian firms could take that road as well, and I also expect that foreign companies will be listed on our stock exchange in the foreseeable future. Our regulations permit that. In practical terms, we have partial convertibility of the capital account of the balance of payments. Thus, under conditions of market integration, the assertion that Croatia might be too small does not hold up today. I would be more inclined to say that it has undeveloped financial markets.

[Ivankovic] Pages and pages have already been written about high interest. Although the causes allegedly lie with the immobilized assets of major old banks, neither smaller banks nor foreign banks are showing any desire to give up fast and easy profits. But their account holders could lead them to ruin. The central bank can demand high reserves for such risky transactions, which also stimulates higher interest rates, or allow some bank to fail. Do you have some third strategy in mind?

[Skreb] It is a fact that interest rates in our country are very high. Roughly speaking, passive interest rates here are around 5 percent, while active rates are 20 index points higher. The problem is not the absolute level of interest rates. The problem is the margin, the difference between active and passive interest rates. That margin is worrisome. The NBH has conducted a study indicating that the fundamental causes are structural in nature. We cannot expect a radical drop in interest rates until the banks and private companies are reorganized. The existing bank portfolios are such that large liabilities can be covered with a small amount of sound assets. There

is also a certain amount of wastefulness at commercial banks. I am not denying that to a certain extent the policy of the central monetary authorities is "to blame." On the whole, the mandatory reserves are truly high, in combination with the mandatory treasury bonds. But that is a policy to which there has been no alternative thus far. Thus, without a change in structure on the supply side, but also on the demand side, because the question is who can pay such high interest, there will be no substantial lowering of interest rates.

[Ivankovic] But why do foreign banks in our country and new small banks have similarly large margins?

[Skreb] In our country there is a high level of concentration on the banking market. When you look at assets in 1994, the four biggest banks account for 75 percent of the market. Thus, they dictate the terms. Small private banks are simply using the situation at the expense of the big banks. The situation on the market makes this possible; they are maximizing profits and are not attempting to bring down interest rates. The figures show that despite the large number of banks there is actually little competition.

I would like to add something to the previous question: that bankruptcy is possible. The question is what the costs are, and what the benefits are of a bank being reorganized or declared bankrupt. A cost-benefit analysis indicates the choice.

[Ivankovic] Although the expensive, necessary, and politically sensitive job of reorganizing the banks has begun, one could hardly say that it is in full swing. What are the next steps in the direction of a new, sound banking structure and what is the central bank's role in that?

[Skreb] The first and most immediate step is to conclude negotiations with the World Bank concerning the EFSAL [expansion not given] program. Reorganization is an expensive job. Although around 800 million kunas have been earmarked in the budget for bank reorganization, outside funding is still essential. You can have the best model, but when all is said and done, further capitalization is necessary if the bank enters into reorganization. Also needed is an injection of liquidity, and that is possible only with additional funds. The EFSAL deal provides not only financial resources, but also forms of technical assistance, because the job is so extensive that any assistance is welcome. That is what is happening immediately. In the medium term, there is clearly a need to increase competition in our banking system, to make the terms of supervision over banks more strict. These are steps to avoid future reorganization, which, admittedly you can never prevent, because

as soon as there is a market there is also risk, but the risk of future problems can be minimized.

[Ivankovic] That is the question: What guarantee is there that the same problem will not reemerge a year or two after the reorganization?

[Skreb] Let me say categorically that in the market there are no guarantees. There is almost no country in the world that has not had a bank crisis, but one must work on curtailing them.

[Ivankovic] Is the risk diminished?

[Skreb] Absolutely. The situation in Croatian banking is much more favorable than it was four or five years ago. And I think that it is relatively favorable compared to certain other transitional countries as well, although this is something that is hard to quantify.

[Ivankovic] Domestic savings are far more important than foreign capital to the sound development of a so-called emerging market. Do you see any other measures that could stimulate savings, especially when even high interest rates do not prove to be effective enough?

[Skreb] I agree with you entirely that domestic savings are the key to Croatia's medium-term economic development. In the short term, development can be financed through outside accumulation, through borrowing. In the long term, that is unsustainable. The question is how to increase domestic savings. We must be aware of the fact that domestic savings have fallen off considerably. According to assessments by Zarko Miljenovic of the State Institute for Macroeconomic Analysis and Prognosis, in 1986 domestic savings amounted to approximately 27 percent of the GDP, whereas in 1995 it had fallen to around 6 percent. There can be no sustained economic growth without domestic savings. This is demonstrated very clearly by Asian and Latin American countries. Just look at the statistics in Latin America: The country with the highest rate of savings is Chile, and the country with the highest rate of sustained growth is also Chile.

Nevertheless, personal savings are on the rise in Croatia. Total personal savings grew 55 percent in 1994 and 52 percent last year. The majority of savings in our country, around 87 percent, is in foreign currency. If savings grow, and if they grow very quickly, then this is the best indication of confidence in the system—in the banking system, but also in the overall economic system, and I would even say in the political system as well. I believe that tradition is the reason why most savings are in foreign exchange. From 1971 to 1991, the average annual rate of inflation in our country was 70 percent. We underwent two periods of hyperinflation. Two years of stability are certainly significant, but they are not enough to completely change people's behavior.

Besides boosting confidence even further, we must also mention reforming the pension system as a way of increasing domestic savings. It is very clear that our current pension system of generational solidarity is oriented exclusively toward consumption. Thus, it is not only because of pensions, but also because of savings and economic growth that it is very important that this reform of the capital security system be undertaken as soon as possible.

[Ivankovic] Banking is a delicate business, which at the very least must continuously be under strict supervision. Do you agree that the public should play a more significant role in this, in addition to the central bank?

[Skreb] We should not waste our breath talking about the importance of central bank supervision over the business dealings of banks and savings and loans. I have already mentioned several times that the stability of the system is a very important precondition for both savings and economic advancement. But here the role of control and supervision over the banks is irreplaceable. And the latest proposed changes in laws on banks and savings and loans do move in that direction. As far as the public's role is concerned, it too is indisputable. The public "votes with its feet," so that whether or not it saves is an indication of whether or not it trusts the system.

[Ivankovic] A new deal is about to be signed with the IMF. The most spectacular features of the previous arrangement were measures to limit net domestic assets and to supply credits to domestic companies that are big spenders. Will a similar course still be taken?

[Skreb] It is true that we are negotiating with the IMF on a three-year deal, the goals of which are not only to maintain the stable framework, but also to implement structural reforms. There is a certain amount of coordination between the IMF and the World Bank in this regard. Since we are right now in the final phase of negotiations, it would not be advisable to discuss the details of an agreement that has not yet been signed.

The program will be signed by our government (the Ministry of Finance) and the National Bank of Croatia, and as in the previous case it will be made public. Rest assured that the NBH will not sign it—and I do not think the government will either—if it believes that this program would in any way be harmful to economic improvement. I say this because it is often alleged that the IMF, like some sort of policeman, imposes things on small countries, including Croatia, that are unacceptable to them. On the contrary, this program simply gives structure to all the necessary economic reform measures.

This much I can say: The deal has a macroeconomic component and a structural component. After a certain procedure, it becomes the joint program of the IMF, Ministry of Finance, and NBH. I am quite certain that there will be no essential softening as far as monetary policy is concerned, and by that I mean that there will not be an expansion of cheap credit, as some think.

[Ivankovic] There are critics who charge that besides the burdens of war and transition, the Croatian economy is also bearing the burden of creating foreign exchange reserves by way of excessively high exchange rates for the domestic currency. Is the foreign exchange market under the critical influence of the main player—the central bank?

[Skreb] First, about the funds that Croatia receives from the IMF deal. When the deal is signed and funds are received, their purpose is to support the balance of payments. This money becomes part of the NBH reserves. Whether the dollar reserves will be used on the foreign exchange market or to pay off debts is one thing, but those funds will under no circumstances be used for consumption. They will not result in higher wages. Indeed, I have written about this issue in your publication. In short, reserves are necessary, and right now they are at the lower limit of acceptability.

There is no doubt that the NBH is a significant "player" on the foreign exchange market. However, last year the banks sold foreign means of payment to legal and physical persons in the amount of 6.5 billion German marks [DM], while the NBH sold only one-tenth of that amount, DM663 million. When you allude to the critical influence of the central bank, that is a case of the "tail wagging the dog." Furthermore, the so-called NBH exchange rate is nothing more than a balanced arithmetic average of the price of transactions carried out by commercial banks.

[Ivankovic] First foreign credits, which the banks are withdrawing, and now the tourist season—all indications are that there will be a new appreciation of the kuna. Does the NBH, which is thus not a critical player, even wish to resist this trend, and if it does, by what means?

[Skreb] An old question, and so I cannot help but repeat the standard response. We expect a significant influx of capital during 1996. I remind you that exchange rate policy is something that is shaped freely by commercial banks. Of course, the NBH cannot be blind to the redemption of foreign exchange, and we will be active on the foreign exchange market, especially in the summer months. Is appreciation possible? Yes. We do not have a fixed exchange rate. We will intervene in the market and attempt, to the greatest possible extent,

to neutralize the negative effects of an excessive supply of money in relation to demand for it in the summer months. We have no other choice.

[Ivankovic] To conclude our interview, I would like to ask a few questions that are each topics in their own right. The NBH's opinion will once again be sought regarding the issue of old savings, which is once again open. What can be expected?

[Skreb] There are no new elements aside from those noted in the NBH governor's letter at the government's request when the initiative to change the so-called law on old savings was raised: "Our opinion is that the proposed change in the law should not be approved."

[Ivankovic] For years now, the NBH has been a reputable institution, especially in terms of its staff's professionalism. What will be done to ensure its further advancement?

[Skreb] I am very glad that you think that way and that you are inviting comments. I firmly believe that education and investing in education are the fundamental precondition for progress in general. I think that we have already done a great deal in terms of publishing activities; our new bulletin has come out, we are making preparations to begin publishing studies, reviews, and thus to a significant extent we will promote the possibility of publishing professional and even scholarly works. A contract was recently signed with the Cambridge University Press, where we will publish the best works from the First Dubrovnik Conference on Transition, to be edited by Mario Blejer and me. This year we are preparing for the Second Dubrovnik Conference on Financial Reform in Transitional Countries. We have introduced the institution of guest researcher at the NBH. And huge investments are being made in educating young people. We have sent 17 people to postgraduate studies and we have 20 scholarship holders in undergraduate studies. Last year more than 300 people took either language courses or specialization courses of short and long duration. More than half of our people have in some way or another been included in education. Finally, I am very happy to have the opportunity to mention that the training of the first generation of attendees of a course on supervising banks has just been completed. In this way, with the help of USAID and the Barents Group, around 50 attendees completed a course on supervision at the NBH. I think that this will significantly reinforce our supervision over the financial system, and that makes me optimistic. But there is also another important element, and it is the Croatian Institute for Banking and Insurance. I expect that that institute will begin this year with intensive training of personnel in banking and finance, with the help of the NBH, but not on that basis alone, because I think that it is our duty to invest even more in human capital.

FYROM: UNPREDEP Said Likely To Remain in 1997*AU2405145696 Skopje MIC in English 24 May 96*

[FBIS Transcribed Text] According to the estimations of the Brigadier General and Commander of UNPREDEP in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] Bo Wranker, the reasons for continuation of this mission's work in Macedonia will remain over the course of next year as well.

"As a soldier, I see the risks of a possible conflict with different eyes than the politicians and diplomats. The implementation of the Dayton Accord, for instance, from a military aspect, is going well for now, but the civil part may bring certain unpleasantness, especially when the elections in Bosnia get underway. Furthermore, we are concerned over the consequences from the demarcation of the Macedonian-Yugoslav border. Personally, I believe that the peacekeepers should stay until its final determination. And certainly, a lot more still has to be done on the plan of full equipment of Macedonia's internal security structure, which, as I can confidently say, has well prepared officers, but not equipment."

As to the well-known Russian stance that the peacekeeping mission in Macedonia costs a lot and that an eventual military conflict could not be deterred by around 1,100 "blue helmets" which is how many UNPREDEP numbers, General Wranker points out two counter-arguments. Only the observation work that they carry out in the mountains, especially in winter conditions, according to some estimates, would cost as much as UNPREDEP's entire budget, if that work is done by civil teams. Whereas, it is not a problem to increase the small number of soldiers (two-three per kilometer along the border which they observe) in case of military conflict, by urgently alarming the international factors which they, certainly, would forecast in time. Since, a "war does not break out just like that," General Wranker says. "The UN Security Council is informed of every new cause for destabilization of the region, it adopts an appropriate decision, so there is no reason for the Russian to dispute UNPREDEP's mandate this time," General Wranker says.

FYROM: NATO's Solana Praises Macedonia's Progress*AU2405144096 Skopje MIC in English 24 May 96*

[FBIS Transcribed Text] In his special interview for PULS and the BBC, after the end of the plenary session of the Northern Atlantic Assembly in the Greek town of Vuliagmeni, among the rest, NATO Secretary General Javier Solana also answers the question where he sees Macedonia's [The Former Yugoslav Republic

of Macedonia—FYROM] place in the NATO security system.

"Macedonia is on a good way to successfully establishing its ties with the Alliance. It has yet to be seen who, when, and how will join NATO, and those negotiations and analyses will most probably last a certain period, maybe even a couple of years. In addition, there will be some countries from the East which will join NATO even in the first round, and others, somewhat later. The process of enlargement of NATO has begun, and there is no turning back. It will take patience and consistent work, which is of common interest. That cannot be futile in any way, the results will definitely not fall short. Unfortunately, I didn't have a chance to visit the Republic of Macedonia during my recent tour of a number of Eastern European countries, but I hope I will do that soon. I also told that to your head of delegation," Solana said.

Speaking of the process of enlargement of NATO with new members and its connection with the keeping of the security in Europe, Solana says: "The process of NATO's opening up is a process of establishing a dialogue with the parties, i.e. the countries that want to take part in its defence system. I don't know, but probably its finalization, that is, the membership of the candidates in the first round might take place some time next year. And that, I believe, means expansion of the territory and field of security and stability in our continent."

FYROM: FRY Assembly Needs To Ratify Agreement*AU2405144496 Skopje MIC in English 24 May 96*

[FBIS Transcribed Text] The Yugoslav Government has asked the Federal Assembly to ratify, in urgent procedure, the Agreement on normalization of relations with the Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM], signed in Belgrade on 8 April.

The Assembly could review and adopt this request as soon as its session on May 31, whereby the Agreement between Belgrade and Skopje would become fully valid for the Yugoslav side as well.

The Agreement on regulation and strengthening of the cooperation between FRY and Macedonia was signed in Belgrade last month by the interior [as received] ministers of the two countries—Milan Milutinovic and Ljubomir Frckovski. Among the rest, with this Agreement, the two countries recognize each other's "international legal subjectivity," as well as the state continuity of Macedonia from 1944, that is, the continuity of Yugoslavia from 1918.

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In the meantime, in line with the Agreement, the two sides started intensive contacts for the advancement of the cooperation in the field of trade, transport and communications.

However, the Yugoslav side has still not formed a mixed commission which should demarcate and delineate the mutual border, together with a corresponding Macedonian commission, even though the deadline for that was 30 days from the signing of the Agreement.

FYROM: FRY Customs Union Seen as Change in Policy

AU2705081796 Skopje FOKUS in Macedonian
24 May 96 pp 4-5

[Commentary by Zoran Dimitrovski: "Stones Have Rolled to Belgrade"]

[FBIS Summary] Skopje FOKUS in Macedonian on 24 May 96 carries a 2,200-word commentary by Zoran Dimitrovski on the recent decision of the trade ministries of (The Former Yugoslav Republic of Macedonia—FYROM) and the Federal Republic of Yugoslavia to begin preparations for a "free trade zone" between the two countries. This free trade zone is scheduled to go into effect on 1 January 1999. Dimitrovski regards this development as an example of the "lack of continuity in the Macedonian rulers' political rhetoric, which is extremely surprising and disorienting in terms of foreign-policy strategy." He recalls that President Gligorov "refused Milosevic's proposal for a customs union at the famous second meeting in Belgrade last year." He goes on to say that in one of his latest "scandalous interviews for the foreign media, the Macedonian ruler emphasized that he had not let himself be tricked by Milosevic and had refused his proposal for reintegration of the former Yugoslavia region, after he had asked to see the document on the reintegration of the states of former Yugoslavia, which, according to the Serbian leader, had been signed by Tudjman."

"Before Dayton and even afterwards, it was popular among the Macedonian political leadership," Dimitrovski writes, "to run away from the north, that is Serbia, as if it were the devil. This rhetoric has remained until today, at least as far as the official statements of the rulers are concerned."

Regarding the "surprising but expected transparency in the economic association and customs marriage with the good old northern neighbor," Dimitrovski lists a number of possible arguments for it:

"First, there is the political and economic pragmatism of the ruling party in Macedonia. In the absence of political

legitimacy and social security in the state and faced with a political earthquake in its own ranks, particularly after the initiative for early elections, it is doing something that is popular among the economists and the Yugoslav nostalgic elements—it increases its credibility among the voters, who have started to defect.

"Second, the government seems to be taking a step toward a certain regional integration after all, something that it has previously categorically rejected at all levels in the country and in the world. It has now accepted it with a certain inflexibility, at least as far as the term regionalization is concerned. Namely, the politicians who are currently ruling the country have been warned by the West that regionalization, together with full pacification, good neighborliness, and active cooperation in the region, whichever way we understand this, are a condition for cooperation with the West (association with the European Union, for instance, will be left for future better times).

"Third, there is the far-reaching prospect of the realization of the dream, that is, the vision for admission to NATO, that is, its southern wing, of Albania and Macedonia. This was made quite clear at the recent meeting of the NATO Council in Greece, following which our delegation held a 'pessimistic' news conference on the chances of early admission under Brussels's security umbrella.

"Fourth, and perhaps the government's best excuse for breaking with its equidistant approach to its neighbors, there is the fact that the Federal Republic of Yugoslavia has recognized Macedonia under its constitutional name and that there are neither territorial nor any other disputes between the two parties. This is not the case with our other neighbors. Albania has recognized Macedonia under the name FYROM, Bulgaria does not recognize its language and nation, and the problems with Greece are well known. However, this excuse for the sudden outbreak of 'nostalgia' for the north remains unexplained because, as we know, in business there are no limits, and the free movement of people, goods, and ideas must not be imprisoned by the political, national, language, religious, and other issues that appear as conflicts between Macedonia and its neighbors. In this case, it remains imprisoned by the 'language disputes' with Sofia, by the 'irrationalities of the first side [Greece, according to the Interim Accord] regarding the name of our country,' and by 'Tirana's open support for the Albanian separatists in Macedonia.' Here is a real chance for us to 'break our way through' to the north!"

The commentary ends by saying that "by 1 January 1999, and perhaps even before that, the world will behave toward us the way it behaves toward Milosevic,

unless matters are dictated otherwise by the superpowers, particularly the United States, under whose influence, it is believed, stands not only the present Macedonian leadership but also Milosevic. The question is whether we are not accepting too big a risk by linking the Macedonian economy with the Serbian economy."

FYROM: Tirana Denies Accreditation to Journalist
AU2305190896 Skopje MIC in English 23 May 96

[FBIS Transcribed Text] A couple of days ago the Press Office of the Albanian Foreign Ministry informed NOVA MAKEDONJA that its journalist Panta Dzim-bazovski will not be given accreditation as a permanent correspondent from Tirana. According to today's news in NOVA MAKEDONJA, those were the only contents in the fax which this office received one week before the parliamentary elections in Albania.

Today, NOVA MAKEDONJA commented this act on the part of the Albanian government, saying, among the rest, that "Albania, as a country that wants to get away from the shadows of the past, is obliged to provide uninterrupted information flow, to which it is bound by the European conventions on the rights and responsibilities in the field of information."

NOVA MAKEDONJA nevertheless hopes that the government in Tirana will change its attitude and allow NOVA MAKEDONJA to open a permanent branch office in Tirana.

FYROM: Albanians Cross Border To Vote in Elections

AU2705161596 Skopje MIC in English 27 May 96

[FBIS Transcribed Text] The number of Albanian citizens returning to Albania through the border point Blato, near Debar, is steadily growing. Unlike earlier when the number of Albanian citizens waiting to enter their homeland was small, these last two-three days, before the holding of the parliamentary elections in Albania, that number has increased, amounting to approximately one hundred per day.

"Voting at the upcoming parliamentary elections is our civil duty," a number of Albanians citizens said, adding that they would come back to Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] to carry on with their jobs.

For the last couple of days, the Albanian press has been reporting the massive arrival of the emigrants to the country, to vote.

FYROM: Aliti Urges Legalization of Tetovo University

AU2705165196 Skopje MIC in English 27 May 96

[FBIS Transcribed Text] The Republic of Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] will be able to be called a democratic state and a state ruled by laws only as a state belonging to all the citizens who equally enjoy their rights and obligations. Every stubborn attempt to ignore the aspirations for equality on account of another will disrupt the internal stability. Under certain circumstances, that can grow into an inter-ethnic conflict which can end up with uncontrolled disruptive processes.

This is a part of the speech of the president of PDP [Party for Democratic Prosperity] Abdurahman Aliti, which held a session of the party's central Assembly two days ago.

A disregard of the need for equality may challenge the dissatisfied side into raising the separatist option as well, which feels it is blocked in its requests by all sides. The guarantee and development of the individuality of the identity cannot jeopardize the entity of the state and the democracy.

In regard to the proposal for a new territorial division of Macedonia, Aliti said that a malicious political strategy is behind this.

In Aliti's opinion, one of the fundamental national rights that should be recognized is the question of education in the native language at all levels, up to tertiary education, which will be implemented with the legalization of the Tetovo university.

FYROM: Police Said To Harass Students in Tetovo

AU2705134096 Tirana TVSH Television Network in Albanian 1635 GMT 25 May 96

[FBIS Translated Text] At its latest meeting, the Senate of the Tetovo University examined the question of the security of the university's activity. Senate Chairman Milaim Fejziu told those present that the Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] police have recently intensified their maltreatment of Tetovo University activists, students, and professors. Fejziu mentioned some cases when people were summoned to informative sessions, particularly those abroad engaged in collecting financial means for this university. He also mentioned that some Albanian students were being harassed.

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FYROM: Monolithic Way of Thinking Seen Returning

AU2805100196 Skopje DNEVNIK in Macedonian
25 May p 13

[Commentary by Aleksandar Soljakovski:
"Demo(n)cracy: As in the Good Old Days"]

[FBIS Translated Text] Democracy is like health (to quote a famous writer); we think of it when it is gone!

That is what is happening to us. Instead of democratic achievements, we have received something that cannot even be called quasidemocracy. It is neither sufficient nor developing (although careful observers prefer to speak about "slowed democratic processes") and there are no signs that anything new is penetrating the public's consciousness.

Democracy, in the terms in which we speak about it as giving great freedom for the equal development of opinions and ideas, of political views, and freedom for the individual to be active in society and in political affairs, is slowly but surely becoming something that will soon disappear, if the government's laborious efforts to take us back to the blackest of times in this region continue.

The pessimist will recall the times of Kolisevski [Macedonia's long-serving president after the Second World War] as a "relaxed" period, while the optimist will say that all this is normal for "being in transition."

What is actually going on? Has the transition perhaps been understood as a transition from a unilateral to another kind of society, from one kind of unanimous thinking to another, in which relations between the people and the government might be regulated differently but the essence remains the same?

The examples that give grounds for such pessimism are all around us. They can be seen at all levels of decisionmaking, in the mass media, in daily life. Since the latest election, we have witnessed how rapidly the government has adopted a negative attitude. We have seen the winning election coalition fall apart simply for the sake of protecting (or saving) the political future of a few people.

We have seen what changes have taken place at the top of the state. We have been able to see how the government simply ignored a quite legitimate civic initiative in which at least 170,000 citizens truly took part (you can multiply this figure by three, because for every one who signed there were three others who were afraid to). The man who is in charge of protecting what is right says—this is valid, this is not! As you like it!

The concern, and above all the right of the citizens to know what is going on with the heavy taxes that the state has imposed on their poor pockets (which are growing emptier every day) is treated as insignificant. Is it insignificant if the government spends five or six times the miserable and denied pensions in two years for its own supplies (justified, but hardly defended)? Is it insignificant if, under the pretext of reforms in the health sector, health insurance payments are being systematically denied at a time when the list of medicines available in Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] is on the level of some central African countries where average life expectancy is barely 50 years of age?

Does the government realize that it is cheating the people when it serves them with ridiculous statistics (more frequent lately) about production increases, which sometimes are compared with the previous month and at other times with the same months of last year, with the aim of presenting the great success of our domestic industry? In the meantime, it is impossible to hide the despair of workers facing redundancy and the increasing number of people looking for work. (Can this be explained with the tremendous increase in productivity?)

Privatization, instead of leading to the rapid development of production (as we were promised), is understood and accepted as fast plunder, which is similar to the time after World War II. Even the most naive know that the property stolen by the "revolutionaries" will not be returned. The simple reason is because the successors are equal to their fathers!

Last year was planned to be the year when the fall in production was to be halted. Do you remember? This year is, too, and the same will continue ad infinitum.

The so pompously proclaimed railroad to Bulgaria will have to be built by some other generation. We are not even able to ensure that the construction of major investments, roads, and dams will continue. There are no blockades and the long-announced credits are not arriving. On the other hand, our international position is so strong that we are just about to be admitted to NATO. The region is stable, and every six months we sign a new appeal to UNPROFOR [UN Protection Forces].

All this is possible with previously unseen (once again unseen) pressure on the media, with the elimination of unsuitable journalists, with public threats and the acknowledgment of the top man in the police that journalists are being monitored, that records are being kept, and that there will be detentions! The classification "internal enemy" is being reintroduced.

The Assembly has been turned into the last place in which any self-respecting man would like to be seen. Even those who are obliged to appear there and explain their activities and policies acknowledge this.

The parties have been reduced to excited rebels who react to what the government "offers" them. The personalities in power are becoming untouchable. The political office is untouchable, just as in the "old good communist days."

It is true that Macedonia has escaped the euphoria of nationalism. However, it seems that it has not lost anything of monolithic thought. Everything is coming to the right place. The same demons from the past are generated under the mask of democracy with the intention of frightening us in order to keep us subjugated.

FYROM: Article Views Rift Between LP, SDSM
AU2805114896 *Skopje DNEVNIK in Macedonian*
25 May 96 p 3

[Article by Branko Geroski: "Liberals-Social Democrats: Disintegrated Mosaic of a Traumatic Experience"]

[FBIS Translated Text] The sharp, sometimes exaggerated, but always exciting polemics between the Social Democrats and Liberals on the topic of "political abuse of the assassination attempt against President Kiro Gligorov" (with the subtitle "the reasons for the breakup of the coalition") continue. The next dramatic episode is expected to take place in the Assembly with the debate on the Liberals' parliamentary question for Interior Minister Tomislav Cokreski. At the moment, Cokreski is making use of his 30 days to prepare his "defense" (some say it could be a strong counterattack), after which the assembly deputies will meet again and start to settle accounts.

In the meantime, the two sides' arguments have come to the surface. The Liberals express them in the relatively moderated public addresses of their leader Stojan Andov and much more sharply in the letters from the editor's office of their party newspaper LIBERAL that are published in DNEVNIK. On the other side, the Social Democrats' arguments have been expressed by Foreign Minister Ljubomir Frckoski on two different occasions (his first public statement was his interview for DNEVNIK).

Thrilling Argument

The Liberals, in the frequently mentioned statement by their LIBERAL editor's office, claim among other things that "...it is essential to settle political accounts with those who support (even by keeping silent) any

possibility of taking power by murder and terrorism." Concluding that (with the reconstruction of the government) the power "...was taken without consulting the will of the citizens," the Liberals make the following point: "Hasn't the main objective of the assassination attempt been achieved after all?" In this way, all the dilemmas in the exposed argument are destroyed: The Liberals are unexpectedly and directly accusing their former partners of taking power by murder and terrorism and of indirectly organizing the attempt to assassinate Gligorov.

Aside from the general excitement, the proposition also recalls the first public statement by Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] Foreign Minister Frckoski after the assassination attempt (he was head of the police at the time). On that occasion, while expressing assumptions about the inspiration and organization of the assassination attempt, Frckoski used carefully selected diplomatic language to express the theory that one of the objectives of the attack could have been to bring about a change in power in Macedonia, that is, to physically eliminate Gligorov so as to make it possible for someone else to come to power who would be to the taste of the architects of the terrorist act. Frckoski, who is always direct, and according to some even insolent, was then most careful and made a statement in which it was not at all possible to detect whom he had in mind. So, at that time, this theory—the assassination attempt as an attempt to take over power—mainly passed unobserved.

Regarding the assassination attempt, the Liberals are now strongly, roughly, and fiercely returning to the theory that it was actually a meticulously planned political action by the Social Democrats to take over power. The theory is so serious and critical (if it is proved true it will be critical for the Liberals' political credibility) that it really calls for serious background and argumentation. Unfortunately, observers do not expect that the background will emerge during the debate on the parliamentary question for Cokreski, or even later.

However, it is even stranger that the Liberals, who have not really come out with clear arguments in support of their claim, have indirectly but clearly enough declared that the argument is allegedly here, in Skopje, that the investigation is fruitlessly engaging in "ridiculous searches in Skopje cellars" (to quote from LIBERAL). In other words: Time, energy, and nerves are being wasted when all is clear.

In commenting on Cokreski's words about journalists and the attacks of the Liberals, Frckoski clearly affirmed that the interior minister's nervous reaction was caused by attempts to exploit the assassination attempt

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for political ends. Cokreski himself admitted that information about the investigation had been leaked from the ministry to some journalists (journalist "messmakers," as Cokreski would say). There is speculation that the "leaks" (which the Interior Ministry denied in a statement yesterday) were actually a part of a broader political plan. Some would call it discovering the truth by the befoggers, others would call it an attempt to destabilize the Interior Ministry by halting progress in the investigation that might confirm the first assumptions (there is obviously no such progress), and so on.

Key Days

In any case, it has become quite clear that the polemics between the Social Democrats and the Liberals are closely related to the assassination attempt, that is, to the events and processes in the days afterward. In circles close to the Social Democrats, there is unofficial but loud speculation about the alleged distasteful display of Andov's ambitions to occupy the injured Gligorov's place as soon as possible, about Vice President Andov's briefings for a select group of journalists, about the way in which Gligorov's cabinet proclaimed Andov acting president, which should have been done by the Constitutional Court, and about some people and information that were allegedly detrimental to the SDSM [Social Democratic Alliance of Macedonia] surrounding Gligorov when he was making his fast and successful recovery (which explains Gligorov's previous support for the Liberals in their conflict with the SDSM in relation to the reorganization, as well as the appearance of

the term "newly constituted" government that the Liberals used a lot later on).

One day, when the key politicians say exactly what happened in the days following the assassination attempt (even so, the versions could be contradictory even then), perhaps the mosaic will be assembled so one can accept or reject the "diagnosis" that is now being offered by those involved in the polemics—that for some political protagonists, it was more important to take power after the assassination attempt than to maintain stability in the country. Nevertheless, it is even more important to find out who was the one who went beyond the limits during those days and later, using political methods in a legal political struggle for power.

In any case, by laying public and direct accusations at the door of the Social Democrats, the Liberals, whether they wanted to or not, have clearly revealed their position on the political scene. Is this the position of a "real political alternative to power" (as the Liberals claim in the LIBERAL letter published in today's DNEVNIK) or is it "walking with a vacuum cleaner and gathering the crumbs that fall from the table with serious political ideas of serious political subjects" (Frckoski in his interview for DNEVNIK). It remains to be seen.

However, one thing is clear: The Social Democrats and the Liberals, former fellow fighters from the Alliance for Macedonia, have an exceptionally unpleasant and traumatic experience behind them. This story will have to be told one day.

Poland: Kwasniewski: NATO Membership No Threat to Anyone

LD2705135996 Berlin DDP/ADN in German
1254 GMT 27 May 96

[FBIS Translated Text] Berlin (DDP/ADN)—Polish President Aleksander Kwasniewski has affirmed his country's wish to join NATO only a few days before the start of the NATO foreign ministers' conference in Berlin, which is due to set the course of the alliance's future.

Kwasniewski writes in an article for the Berlin daily *TAGESSPIEGEL* that it is no threat to Russia if the alliance accepts new members from eastern Central Europe. "NATO does not threaten Russia. Poland does not feel threatened by Russia, and, of course, it does not threaten Russia, either." Kwasniewski says that Warsaw wants to extend its friendly cooperation with Moscow.

"Why should Poland's accession to NATO...worry anyone?" Integration is "a sign of the times in Europe"; it serves to overcome the artificial division of the continent, Kwasniewski writes, saying that the idea of joining Europe is popular in Poland and that no party that wants to be taken seriously questions the course of moving toward the EU and NATO. "In the Poland of today, it would be a hopeless enterprise to try and secure political benefit from Euro-skepticism."

In the prime minister's view, there is too much talk about the cost of integration. "But no one ever speaks of the cost of doing without integration. Is there a general awareness of how great this would be?" Kwasniewski adds that, if the integration of the new democracies into the existing European structures fails, not only the countries of eastern Central Europe, which have been at a disadvantage historically, but Western Europe, too, will have to pay dearly for this.

Poland: FM: Russian Permission Not Required To Join NATO

LD2405132396 Warsaw Polskie Radio First Program Network in Polish 1200 GMT 24 May 96

[FBIS Translated Text] Foreign Minister Dariusz Rosati, who is in Bonn, has said that Poland will not ask Russia for its permission to join NATO. The Polish foreign minister met German Foreign Minister Klaus Kinkel in the afternoon.

At a lecture given at the German Foreign Policy Society, Dariusz Rosati said that the Polish Government would try to convince Moscow that NATO enlargement was not aimed against Russia. Poland, however, had no intention of asking Russia for permission to join the alliance.

Minister Rosati also rejected the widespread claim in the West that NATO enlargement could lead to Russia's isolation. He also expressed the conviction that Poland would become a full-fledged member of the alliance in two years' time.

At this very moment, Minister Rosati is having talks with Klaus Kinkel. The agenda of the Polish foreign minister's one-day visit to Bonn also envisages talks with German Defense Minister Volker Ruehe and Karl-Heinz Hornhues, the chairman of the Bundestag Commission for Foreign Affairs.

Poland: Foreign Minister on German Relations, EU-NATO Bid

AU2705175296 Frankfurt/Main FRANKFURTER RUNDSCHAU in German 24 May 96 p 7

[Interview with Foreign Minister Dariusz Rosati by Edith Heller; place and date not given: "Poland's Foreign Policy Is Opening Wider to the East"]

[FBIS Translated Text] Dariusz Rosati (50) spent several years as economic secretary in Geneva, and was appointed new Polish foreign minister in December. He represents the modern, pragmatic managerial type within the left wing. FRANKFURTER RUNDSCHAU correspondent Edith Heller spoke to Rosati, who is visiting Bonn this Friday.

[Heller] Mr. Minister, how do you assess German-Polish relations right now?

[Rosati] After many difficult years, marked by wartime events and membership of different blocs, relations have been developing very well since 1991. Germany is our biggest European trade and political partner.

[Heller] What problems are you going to discuss?

[Rosati] In the bilateral sphere, there are no pressing issues to discuss. Of course there are a few minor problems, including the return of cultural goods, cross-border cooperation, and the conclusion of a legal aid agreement. For psychological reasons, I also consider it important to eliminate the huge traffic holdups at border crossings.

[Heller] What is the difference between Polish foreign policy under the former communist Alexander Kwasniewski and you, and the foreign policy under previous President Lech Walesa?

[Rosati] The first difference is that under Kwasniewski, Polish foreign policy is open more widely to the East. That serves not only our political and economic interests, but also helps in the attainment of our European

objectives. We must show that we nurture good relations with all our neighbors. Stronger personal foreign policy commitment by the president and prime minister is also important. We are convinced that the expansion of personal contacts is very useful in the attainment of our strategic goals, i.e. membership in NATO and the EU.

[Heller] When does Poland want to join the EU?

[Rosati] As soon as possible. In real terms, by the end of the year we want to settle the legal question of civilian control over our armed forces and safeguard the compatibility of military structures. Personally, I see no reason why the decision on our admission to NATO should not be made already on the threshold of 1996/7.

[Heller] When you took office, you declared that a "potential threat from Germany" is one of the reasons why Poland wants to join NATO.

[Rosati] Perhaps that was a bad choice of example. We do not feel threatened by democratic Germany in any way. I only meant to underscore NATO's stabilizing role. Joint membership thereof by countries between which there used to be conflicts rules out the possibility of such conflicts in future.

[Heller] Do you consider the union between Russia and Belarus a danger to Poland?

[Rosati] We are carefully monitoring what is happening there. People tell us that this union is exactly the same kind of integration process as in western Europe. If this integration is the desire of both peoples and takes place in a democratic manner, there is not much one can say against it. But if this process is designed to restore the USSR, i.e. the emergence of an imperial state that would dominate the rest, then we are definitely opposed.

[Heller] With Kwasniewski as president, many people have hoped that relations with Russia would improve. But the result of his Moscow visit is rather modest.

[Rosati] I disagree. We did not go to Moscow to obtain Russia's permission to join NATO. No rational-thinking person could expect that. This visit was primarily meant to show that Poland is prepared for dialogue with Russia. With our visit to Katyn, we wanted to underline that we, too, are not forgetting the past.

[Heller] But it takes both sides to improve relations. The agreement that was prepared on the occasion of the visit to Moscow was not signed.

[Rosati] I do not deny that the talks with the Russians are difficult, but we are optimistic.

[Heller] Lithuania and Ukraine have quite different expectations of Poland.

[Rosati] We have signed treaties on good-neighbor relations with both countries, although this was not an easy matter with Lithuania because of the difficult past. Today, the relations are very good, and Vilnius expects Poland's support in its bid to join the EU and NATO. As for Ukraine, we believe that country's independence is basic factor of our own security.

[Heller] This year marks the 50th anniversary of the Kielce pogrom, in which over 40 Jews were murdered. Of course, the German atrocities on the Jewish people bear no relationship to isolated excesses like this. Nevertheless, you have apologized for this atrocity in a letter to the World Jewish Congress. Why was this letter not publicized in Poland? Did you fear your countrymen's reaction?

[Rosati] I saw no reason to publicize the letter.

[Heller] But as foreign minister, you speak on behalf of your people. Surely your people have a right to know what you apologized for.

[Rosati] If you look at things that way, I should inform the public of every single conversation I hold. The Kielce pogrom was incited by political forces, but the decisive thing is that the murders were committed by Polish hands. I considered it appropriate to ask for forgiveness. One must acknowledge the truth whether or not it appeals to someone.

Poland: Solidarity Head Refuses To Go to Court in Minsk

LD2505110996 Warsaw TVP Television First Program Network in Polish 1000 GMT 25 May 96

[Relayed by TV Polonia Network]

[FBIS Translated Text] Marian Krzaklewski, the chairman of the Solidarity National Commission, has said he will not attend court in Minsk on 30 May.

The summons is connected with charges by the Belarusian authorities that while in Minsk on 14 May Krzaklewski organized an illegal gathering.

Poland: Polish-Russian Military Cooperation Outlined

WS2405144496 Warsaw RZECZPOSPOLITA in Polish 23 May 96 p 7

[Article by Maria Wagrowska: "Five Polish-Russian Agreements"]

[FBIS Translated Text] Polish-Russian military cooperation is regulated by five agreements:

1. The agreement signed between the defense ministries of the Polish Republic and the Russian Federation in

July 1993. The document provides for: the advancement of means of furthering trust; cooperation in the field of strengthening international security, particularly in Europe (including the Baltic region); airspace and naval control; cooperation in the field of military technology and weaponry; military communications; training military cadres; cooperation in the field of healthcare; cultural, sports and other types of exchange. The agreement was signed for a period of five years. Unless it is terminated upon the expiration date, it will automatically be valid for an additional five years. It may be terminated any time before the expiration date. If it is, it becomes invalid within six months of the termination date.

As the Ministry of National Defense [MON] told us, concrete projects for cooperation in every field of military activity are developed within the frameworks of this fundamental agreement.

2. The agreement signed in December 1993 on safety guarantees for maritime shipping in the territorial waters of the Baltic Sea.

3. The agreement signed in December 1993 on principles of air traffic in the airspace of both countries.

4. The agreement on cooperation in military communications.

5. The agreement signed in June 1994 on training Polish officers at military schools in the Russian Federation.

(The MON qualifies the recent Buchacz-Davydov agreement as a trade accord, and not a military cooperation agreement).

A MON official told us that bilateral cooperation has been weak ever since 1993 and is far less intense than it was in the days of the Warsaw Pact. Both sides plan an average of 10 projects annually, not all of which are implemented. They basically pertain to the exchange of diverse experience in such areas as combat training (training soldiers in field, staff, fixed and testing ground conditions).

The following are several examples of Polish-Russian military cooperation projects implemented in Russia:

- measuring radiation contamination;
- training in operating MiG-29 equipment;
- training on how to use artillery at the tactical level (in Kaliningrad);
- organizing testing ground training for combined-arms reconnaissance spotters (in Kaliningrad).

The following are carried out in Poland:

- organization of chemical security;

—conference on the molecular and free-radical causes of illnesses among soldiers [molekularne i wolnorodnikowe przyczyny chorob].

Each project usually lasts a couple of days and involves several soldiers.

One of our interlocutors told us that the needs of the Polish Armed Forces are larger than the current level of cooperation allows for. That is why Poland submits from 20 to 40 projects every year. He did make the reservation, however, that Poland wants to cooperate with Russia and other Partnership for Peace states simultaneously. "We want," he stressed, "multilateral cooperation to enforce security in our region. We want to explain to our Russian partners that our eventual membership in NATO will not be detrimental to Russia in any way." "We want to be close to Russia in military terms," we were told, "because it is our neighbor." "For the last several years, however, the Russian Federation has been avoiding an expansion of bilateral cooperation," I heard at the MON. "Our Russian partners led us to understand they do not have the financial resources to implement cooperation projects. It is too early to say whether anything is going to change now in this respect."

Poland: 4 UOP Officers Working on Oleksy Case Ousted

WS2805095396 Warsaw GAZETA WYBORCZA in Polish 28 May 96 p 1

[Report by "JACH": "Kapkowski Dismisses Officers; Thrown Out of UOP Because of the Oleksy Case"]

[FBIS Translated Text] *Four officers from the Office of State Protection [UOP] who had worked on the Oleksy case were dismissed yesterday by Colonel Andrzej Kapkowski. The prosecutor might even begin an investigation of them.*

The four ousted officers are the UOP chief adviser, General Marian Zacharski; General Bogdan Libera, chief of the Intelligence Directorate; General Witold Fonfara, chief of the Investigation Directorate; and Gen. Fonfara's deputy, Colonel Wojciech Dylewski. The formal basis of the dismissals was an internal report of the UOP commission that investigated how the Oleksy case was handled. It points out shortcomings but does not state that those in charge of the case violated the law. Nevertheless, Interior Minister Zbigniew Siemiatkowski told members of the Political Advisory Committee to the Ministry of Internal Affairs that he will submit the report to the prosecutor, who is to decide whether an investigation should be launched against the officers.

Col. Kapkowski signed the dismissal when he was still acting chief of UOP, just hours before the committee approved him to be the regular UOP chief with a 5-4 vote. Four politicians representing the governing coalition and Janusz Palubicki of Solidarity voted for Kapkowski.

**Poland: PM Cited on Dismissal of Oleksy Case
Generals**

LD2805111196 Warsaw PAP in Polish
0943 GMT 28 May 96

[FBIS Translated Text] Warsaw, 28 May (PAP)—Prime Minister Włodzimierz Cimoszewicz told journalists today that the resolutions of the State Protection Office [UOP] commission examining the way in which the Jozef Oleksy case was conducted at UOP require urgent analysis and a decision on whether there are bases for informing the Prosecutor's Office that a crime has been committed.

The prime minister declined to reply to a question on whether resolutions sent to the Prosecutor's Office will refer to the officers who handled this case.

Cimoszewicz stressed that the commission's resolutions "are very serious and made an impression on the members of the government," to whom they were presented today.

Asked to comment on yesterday's recall of four UOP officers who ran the Oleksy case, the prime minister said that, from his point of view and from his knowledge, these decisions are "completely obvious" because, he stressed, they refer to people against whom serious accusations were made during the clarification proceedings at UOP. The prime minister declined to reply to a question on whether these were accusations of violating or breaking the law because, he argued, the report is secret and specially restricted.

The prime minister noted that "no one who has a feeling of responsibility for the state and who speaks really seriously about this, that it is not permissible to harm the special services, should question this decision at this moment."

The decision on the recall of General Marian Zacharski, adviser to the UOP head, General Bogdan Libera, director of the Intelligence Service Board, General Wiktor Fonfara, director of the Investigative Branch, and his deputy, Captain [as received] Wojciech Dylewski, was made by Andrzej Kapkowski, who was accepted yesterday by the Political Advisory Committee attached to the Ministry of Internal Affairs as head of UOP.

Cimoszewicz appealed for "full sobriety" in approaching this case. "This is one of the few cases that should never

be the subject of propaganda games and should never serve anyone in attempts to draw immediate political benefits," he stressed.

The prime minister repeated his earlier declaration that "the case will be run consistently and clarified to the end." Let no one have any doubts about that, he added. The case is too serious for anyone to think of a cover-up or of not drawing all the consequences that transpire from it, Cimoszewicz said.

[Warsaw PAP in Polish at 0944 GMT on May, reporting on the dismissal of the four intelligence service generals, adds that "Krystana [as received] Boral of the UOP press office officially confirmed today" the dismissal of the officers. She added, "Until final decisions are made, the recalled officers will remain at the disposal of the head of UOP."]

**Poland: Government Spokesperson on UOP, Press
Leaks**

WS2805093996 Warsaw Radio RMF FM Network
in Polish 0625 GMT 28 May 96

[Interview with Government spokesperson Aleksandra Jakubowska by Konrad Piasecki in Jakubowska's official vehicle in Warsaw on the "Guest of RMF FM Morning Program"—live; at 0612 GMT the studio announcer says: "We are awaiting the arrival of Interior Minister Zbigniew Siemiatkowski"; the interior minister did not show up for the interview]

[FBIS Translated Text] [Piasecki] Do you know why the new UOP [Office of State Security] chief [Andrzej Kapkowski] dismissed four intelligence officers?

[Jakubowska] I think Interior Minister Zbigniew Siemiatkowski knows better, and so do the members of the Political Consultative Committee who held a session yesterday. Judging by media reports, the committee had been presented with a report compiled by the Interior Ministry's Internal Commission which had examined the observance of official regulations by UOP officers. I think that the decision to dismiss the officers was based on that report.

[Piasecki] You do not know the contents of the report?

[Jakubowska] I do not. The report was presented to the Consultative Committee and not to the Sejm special commission. Perhaps at today's Cabinet of Ministers session Interior Minister Siemiatkowski may be offered to present the general contents of the report to the Cabinet of Ministers, too.

[Piasecki] Do the government and Mr. Siemiatkowski feel they are being blackmailed by the NIE weekly?

[Jakubowska] No. I think that nobody can feel blackmailed by any weekly or daily publication. A free media role is to write and publish all kinds of things. I do not see any reasons for blackmailing anybody by any publication.

[Piasecki] Speaking about leaks to NIE, are they not a form of political blackmail? You should admit that the leaks serve somebody's political interests.

[Jakubowska] I do not understand what sense this kind of blackmail would make. Sooner or later, the letters written by the government and Vatican would be made public anyway. I do not see any grounds why they should not be made public. In 1995, at joint sessions of the government and the Episcopate, it was officially stated that a document was being drafted in the form of a declaration of intent. Moreover, there were many indicators that the drafting of the document was nearing completion and a compromise would be reached on the ratification of the concordat. Nobody concealed this. Therefore, I see no reasons why the documents [published by NIE] should have been concealed.

[Piasecki] However, classified documents should not appear in the press.

[Jakubowska] All diplomatic mail is classified in essence...

[Piasecki, interrupting] ...and therefore it should not appear in the press.

[Jakubowska] In light of this, I did say yesterday that certain good diplomatic manners had been violated. On the other hand, diplomatic mail does not remain confidential forever. When two sides arrive at the conclusion that it is time to publicize its contents, documents may be publicized, with mutual consent. You should agree that even in regular mail between two persons, it is impolite if one side chooses to publish the other side's letters.

[Piasecki] Of course, I agree. [Senator] Krzysztof Kozlowski believes that the publication of letters is an indicator of a fight between the conservative and liberal wings within the SLD [Democratic Left Alliance]. Does he not have a feeling for the situation? Or maybe he knows what he is saying.

[Jakubowska] Krzysztof Kozlowski is a politician, an opposition figure. He has the right to make those kind of public statements. Meanwhile, I am a government spokesperson, not a politician. I cannot meddle with politicians, and I do not want to do it.

[Piasecki] Do you think the affair over the leaks will be clarified some day, or will it remain a mystery? Do you know the source of the leaks?

[Jakubowska] For sure, the source was not in the Office of the Council of Ministers. The Foreign Ministry, too, has conducted an internal investigation. Thus, it is hard for me to say who is the source.

[Piasecki] Perhaps in the Presidential Chancellery...

[Jakubowska] Spokesman Sterczula, too, has stated that it is impossible. Therefore, the situation is rather strange. I think only the person who delivered the documents to NIE Editor Jerzy Urban and Mr. Urban himself know the source of the leak.

Meanwhile, it is alarming that various offices and institutions are not safe and that various documents... [pauses] I would like to share one observation with you. A great hue and cry was raised around two leaks: the statement by Prosecutor Gorzkiewicz, with a full list of names, and the aforementioned two letters [published by NIE] and all of a sudden everybody started to worry that official secrets were not being kept and that the state is in danger, because the system is so insecure.

Meanwhile, when the whole thing started a couple of months ago, when one of the state's senior officials [former Interior Minister Milczanowski], standing before television cameras and before more than 400 deputies, disclosed state secrets, the media behaved calmly.

[Piasecki] This is [not] a subject for a long discussion to be carried out [words indistinct], but I want to tell you one thing: perhaps very soon it will be precisely the Sejm that will demand to reveal how these documents are finding their way to the media, and it will not be so easy in the Sejm as it is in this car.

[Jakubowska] You know, fortunately, it will not be I who will have to face the Sejm and to explain the issue. I think that the Sejm is entitled to certain information. I repeat once again that our exchange of letters with the Vatican is regarded as diplomatic mail, that is, confidential mail. But it is neither a state nor an official secret. Hence, it seems that rights have not been violated here, but I will repeat once again that the individual who made these documents available to the media has harmed both the situation connected with our negotiations with Vatican and, to a certain extent, the reputation of the state.

[Piasecki] Certainly you know the prime minister's opinion on the ratification of the concordat with Vatican. Does he support or oppose it?

[Jakubowska] The prime minister has already expressed his opinion on the issue. I think that ...

[Piasecki, interrupting] But he was not so resolute.

[Jakubowska] I believe he would like to finally conclude this issue. I think that many politicians...

[Piasecki, interrupting] ...want to finish it off.

[Jakubowska] Not necessarily. I imply the final resolving of this issue. But if someone thinks that there is something wrong in the dialogue between the state and the church... [pauses]; anyway, I wanted to tell you that this dialogue is continuing. Tomorrow a joint government and Episcopate commission will hold a meeting, scheduled some time back. The agenda of this meeting had also been planned before these developments occurred, that is, before the letters were published and before John Paul II made his speech [addressing the expansion of atheization in Poland]. This agenda has not been changed. Thus, the joint commission will work normally and will solve these complicated problems in church-state relations.

[Piasecki] [word indistinct] does this agenda include the issue of the ratification of the concordat?

[Jakubowska] The agenda includes various issues. The ratification of the concordat is one which has been present at all of the meetings of this commission, beginning from the time when this commission resumed its work, that is, during Prime Minister Oleksy's term in office.

[Piasecki] Thank you very much. Government spokesperson Aleksandra Jakubowska hastens to the meeting of the government. Let us not delay her.

Poland: Reform Provisions on PM, Secret Services Adopted

WS2405150496 Warsaw GAZETA WYBORCZA
in Polish 24 May 96 p 2

[Article by Jakub Cegiela: "Administrative Center Reform; A Stronger Prime Minister and Voivode"]

[FBIS Translated Text] *The moment the prime minister resigns, all of the ministers, deputy ministers, and voivodes will leave.*

This is one of the most significant amendments in the draft project of reforming the administrative and economic center introduced by members of the Reform Commission. The commission has finalized its work. Marek Pol, author of the text of the project, and Leszek Miller, head of the Office of the Council of Ministers, said yesterday that the amendments introduced by the deputies fully reflect the intentions of the government.

Pol assessed the debate on the commission as "surprisingly substantial" and the voting as "above all divisions." Opposition deputies admit that the work of the commission was "generally to their liking."

The most important change is a considerable strengthening of the position of the prime minister: He, and not Sejm laws any longer, will define the scope of activities of ministers. This requires amending the small constitution. An adequate draft has already been submitted to the Sejm and will be reviewed next week.

A Voivode as a Remedy

The commission has significantly increased the powers of voivodes. The deputies want them to be responsible for, among other things, regional branches of the State Trade Inspectorate, historical monument conservation services, environmental protection, sanitary inspection, employment offices, and school inspectorates. Voivodes will also manage and privatize state companies.

"In the future, when huge voivodships-cum-regions are formed, a powerful voivode will be a remedy for their possible overeagerness to become independent," Leszek Miller told us yesterday.

The Ministry of Internal Affairs [MSW] Without the Office of State Protection [UOP]

The deputies also adopted the amendment suggested by Miller that had caused a huge uproar at the Sejm last month. A new Ministry of Internal Affairs and the State Administration will be formed, without UOP, which will be subordinated directly to the prime minister. The prime minister will thus be advised by a Secret Services Council, the members of which will be the ministers of internal affairs and the state administration, defense, and foreign affairs, as well as representatives of the president and Sejm commissions.

The commission did not agree to allow the chief of UOP to take over any case from law enforcement institutions "for state security reasons." UOP will not be allowed to have a "central data base" containing information acquired in the course of operations.

Poland: Reaction to Papal Statement on Poland

WS2805105696

[FBIS Report] The 25-26 May issues of most of the Warsaw vernacular dailies carried political and press reaction to the recent statement by Pope John Paul II on "attempts to ridicule religion and undermine the authority of the state," as well as on "the spreading of atheism" in Poland.

RZECZPOSPOLITA carried a 900-word report entitled "After the Pope's Statement on the Spreading of Atheism among Poles; Politicians Reticent, Clergymen Agree," which appeared on pages one and two. Longin Pastusiak, deputy chairman of the Democratic Left Alliance (SLD) Club, is quoted as saying that "the Catholic

Church in Poland has probably never had such a strong position in social and political life as it has today." The SLD politician does not see "any trends toward ridiculing religion and undermining the role of the church."

Freedom Union (UW) Chairman Leszek Balcerowicz assessed that the pope used words that were too strong.

Janusz Piechocinski of the Polish Peasant Party said that he believed that the statement made by the pope was a reaction to the disclosure of the correspondence between the Holy See and the Polish Foreign Ministry.

Jan Olszewski, leader of the Movement for the Reconstruction of Poland, said that "this is certainly the most critical statement by the pope concerning Poland." According to Olszewski, the pope's statement was an "appeal to Polish political elites."

GAZETA SWIATECZNA ran on page two a 350-word report signed "ALA" and the Catholic Information Agency entitled "After the Papal Statement; a Bitter Reaction?" The author of the report quoted Aleksander Kwasniewski, who said that the papal statement "should not be seen as a turning point in Poland's relations with the Vatican. He stated that the words used by the pope were too strong in comparison with the actual situation in the country.

"I do not share the view that there exists some program of deliberately spreading atheism in the Polish society," said Jozef Oleksy, leader of the Social Democracy of the Polish Republic (SdRP).

TRYBUNA, a pro-SLD daily, published on page three a 400-word report by "DP, PAP" entitled "After the Papal Statement; an Evaluation Not Based on Fact." SdRP Secretary General Jerzy Szmajdzinski is quoted as saying that the SdRP cannot remain indifferent to the statement made by John Paul II. "We are outraged by the pope's statements," he said. He also stressed that the evaluation made by John Paul II was baseless: "Sporadic incidents cannot obscure the picture of Poland as a country of civil liberties, in which both believers and nonbelievers have equal rights."

Professor Tomasz Nalecz of the Union of Labor commented that "the bitter statement by the pope is a consequence of the fact that he failed to notice the difference between the Poland he knew as a priest and a bishop and today's reality. Industrial civilization results in phenomena that the church opposes because it looks upon them as attempts to spread atheism among people."

ZYCIE WARSZAWY carried on page two a 400-word report by Roman Strzemiecki entitled "State-Church; Papal Criticism Whips Up Emotions Among Politicians." The author quotes UW Chairman Andrzej

Potocki as saying that "the pope's statement was too strong." Potocki supposes that the statement had to do with the disclosure of the confidential correspondence, with the slightly disappointing atmosphere surrounding the issue of the Concordat, and with the condition of church-state relations.

Leszek Moczulski, leader of the Confederation for an Independent Poland, said that "the plan to spread atheism has been implemented for many years now. The only things that keep changing are the methods."

The same daily ran a front-page 300-word commentary by Deputy Chief Editor Karol W. Malcuzyński entitled "An Agreement or a Split?" Malcuzyński points out that, "despite assurances from President Kwasniewski and Minister Rosati, one must admit that there is a conflict between the state authorities on the one hand and the Catholic Church and the Vatican on the other." According to him, a likely interpretation of the leak of confidential correspondence between the Polish Foreign Affairs Ministry and the Vatican is that "the secret talks between the Polish authorities and the Vatican have come to a dead end." Malcuzyński believes that the pope reacted by leveling a "serious accusation."

Poland: Spokeswoman on Leaks of Vatican Correspondence

LD2705153096 Warsaw PAP in Polish
1325 GMT 27 May 96

[FBIS Translated Text] Warsaw, 27 May—At today's news conference, government spokeswoman Aleksandra Jakubowska said that, after conducting an investigation in the Foreign Ministry, there are no indications that the confidential correspondence between Poland and the Vatican regarding the Concordat was leaked from this ministry. Neither are there any indications that the Council of Ministers' Office was the source of the leak because, she emphasized, the circle of people who had those documents is beyond all suspicion.

Aleksandra Jakubowska stressed that the correspondence between the Foreign Ministry and the Vatican was not secret, just confidential. The fact that the correspondence was published violated good habits of diplomacy, but neither state nor official secrets were revealed, the spokeswoman noted. She added that different measures should be applied to different documents published in newspapers.

Poland: Coalition Split Over Administrative Reforms

96P20426A Warsaw *POLITYKA* in Polish
23 May 96 p 1

[FBIS Report] Persistent discord over proposed administrative reforms has blunted the effectiveness and could shorten the life-span of Poland's ruling coalition, according to recent press reports. The leftist coalition parties—the Democratic Left Alliance (SLD) and its junior partner, the Polish Peasant Party (PSL)—remain at odds over how to reshape Poland's territorial-political subdivisions and its central government bureaucracy. While administrative reforms along these lines have been on the agenda of every postcommunist Polish government since 1989, the issue never moved beyond the planning stages. The SLD and the PSL remain deadlocked despite strong public support for administrative reforms, with 74 percent of the public in favor, according to a recent opinion poll (TRYBUNA, 9 April).

At issue is the SLD's proposal to recreate powiats (counties) as an intermediate level of public administration between the local gmina (township) and the larger administrative unit of the voivodship (province). In 1976, the communist regime abolished powiats in order to create more voivodships—now numbering 49. The SLD claims that the recreated powiats would promote democracy by allowing the central government to delegate executive powers and administrative duties to a lower governmental level. The PSL, however, is strongly opposed to creating powiats, seeing them as an extension of central political power that would weaken the authority of the local gminas. The two sides also disagree concerning the SLD's proposal to consolidate the existing 49 voivodships into 12 or, alternatively, to form even fewer large administrative regions. President Aleksander Kwasniewski conceded that "we [SLD] will not come to an agreement with the PSL" on the administrative reform issue but suggested that it may be "possible" to pass the SLD-proposed law with some support from the opposition—perhaps the Freedom Union (UW), which supports the reform concept. Kwasniewski's statement provoked an immediate reaction from PSL deputy Bogdan Pek, who warned that, "if the PSL leadership gives in, the breakup of the coalition will follow because the majority of PSL deputies will never agree with this reform." The PSL will also block further work on the new constitution if a mention of powiats remains in the draft, Pek added (POLITYKA, 4 May).

Most SLD leaders seem resigned to viewing implementation of the reform as a long-term proposition, their public statements indicate. Leszek Miller (SLD),

chief of staff for the coalition's Council of Ministers (URM), called for first creating a Center for Public Administration by merging the Ministry of Construction and the Ministry of Internal Affairs with a reorganized URM. Only then would the government move on with territorial-political reform "after extensive public debate" (POLITYKA, 27 April). Although "establishing powiats" is "inevitable," it may not be possible to introduce the reform against the PSL's wishes, Miller said (WPROST, 12 May). Similarly, Prime Minister Wlodzimierz Cimoszewicz told the National Parliament of Local Governments, whose delegates are predominantly sympathetic to the PSL and voted against the reform, that his government will not introduce the reform before the parliamentary elections scheduled for 1997 because of the "serious differences between the coalition partners." Administrative reform should not put the solidarity of the coalition at "risk," he maintained (RZECZPOSPOLITA, 3 April). At a 14-15 April symposium on powiats, Krzysztof Janik of the SLD, who is chairman of the Sejm commission on administrative reform and under secretary in the presidential chancellery, said that, although reform is "inevitable," the coalition may not be "strong enough" to conduct it because of its internal "differences of opinion." In his view, the parliament rather than the government will have to decide about the introduction of powiats (RZECZPOSPOLITA, 18 April).

The PSL has spelled out its own ideas on administrative reform. The party favors maintaining the current structure, while transferring some powers of the central government to the self-governing provinces. According to the PSL deputies, the modernized and strengthened voivodships should be the second level of government and should share power and resources with the gminas. According to Jacek Soska, PSL deputy and deputy agrarian minister, the formation of powiats would "add to bureaucracy" and would only "create new posts to be filled by the SLD," reported the WIADOMOSCI Polonia TV Network (3 May). Another PSL deputy, Jerzy Kado, argued that powiats would weaken communities by taking power from local gmina authorities and giving it to a new crop of political appointees. Kado also observed that no one has calculated what the SLD's proposed reform would cost (WARSAW VOICE, 14 April).

A wide range of politicians and media commentators agree that the stalemate over administrative reforms is hampering the government's effectiveness. POLITYKA commentator Jerzy Baczynski (13 April) noted that, in effect, the reform has been postponed for another two years, indicating that the government has "lost its ability to carry out the changes necessary for the transformation

of the state." Similarly, Professor Michal Kulesza, of the opposition party, UW—an author of the reform proposal prepared in 1992-95 under the previous government—also faulted the government, saying that "the SLD does not have the political will to go through with this reform," which the PSL is "blocking deliberately." Stressing that reform is urgent because the present "faulty" structure lacks the flexibility needed for Poland's development, Kulesza concluded that the matter will only be resolved when one of the two coalition parties loses the elections (WARSAW VOICE, 14 April). Even Jerzy Hausner, a senior government official and director general in URM, said that the government has "sapped its potential" through infighting over administrative reform and "seems to be paralyzed and incapable of governing effectively" (WPROST, 12 May).

Poland: PSL Threatens Coalition Over Local Government Reform

LD2705211296 Warsaw TVP Television First Program Network in Polish 1730 GMT 27 May 96

[From the "Wiadomosci" program; relayed by Warsaw TV Polonia Network]

[FBIS Translated Text] One of the leaders of the Polish Peasant Party [PSL], Senate Speaker Adam Struzik, has threatened that the PSL will leave the government coalition if the Democratic Left Alliance [SLD] brings about the creation of districts. Leszek Miller, head of the Office of the Council of Ministers [URM], who is a member of the SLD, has told the "Wiadomosci" program that in such a case the PSL will lose all their posts in the government administration, inclusive of ministers and provincial governors.

[Begin recording] [Correspondent Kolenda-Zaleska] In a discussion about the local government reform held at Polish Radio, Krzysztof Janik, secretary of state in the Presidential Chancellery, said that after the holidays the Sejm could take a look at the draft law on districts, which has been ready for months.

[Krzysztof Janik, Presidential Chancellery, SLD] If it will be possible to create a substantive coalition, above parliamentary floor group and political divisions, and that thanks to this coalition it will still be possible to adopt the fundamental laws during the term of office of this Sejm, then, of course, if our colleagues from the SLD together with colleagues from the Freedom Union [UW] vote this through in the Sejm, then perhaps we will have earlier parliamentary elections. Perhaps this is precisely the point, for these elections to be held earlier. Only it is being done using the method whereby the PSL is pushed up against a wall.

[Kolenda-Zaleska] The speaker of the Senate added that the vote of the SLD for the districts bill would constitute a breaking of the coalition agreement.

[Adam Struzik, Senate Speaker, PSL] A breaking of the coalition agreement draws in its wake the disintegration of the coalition. And that, perhaps, means a SLD minority government or else early elections. That is clear.

[Leszek Miller, head of the URM, SLD] The exit of the PSL from the government would mean the departure from ministerial and deputy ministerial posts, and from provincial governorships and deputy governorships, of around 100 leading activists of the PSL.

[Kolenda-Zaleska] The chairman of the SLD, Jerzy Szmajdzinski, told the "Wiadomosci" program that there is no question of a breaking of the coalition agreement, since that does not contain issues associated with the local government reform. In the view of the SLD leader, the statement by Adam Struzik today and that by PSL Chairman Waldemar Pawlak yesterday, which had severely criticized the government, bear witness to the fact that the PSL had already commenced election campaigning, both for its party leadership and the parliamentary campaign.

[Jerzy Szmajdzinski, SLD] The (?participation) of the leaders of the PSL in these two campaigns is indeed damaging, harmful, and unnecessary, since it makes impossible the resolution of difficult issues and difficult problems.

[Kolenda-Zaleska] In the view of the leader of the SLD, the members of the PSL should speak out with greater responsibility, since they have for three years now been coresponsible for ruling the state.

The coalition has already differed many times on many issues, but the disputes have always been toned down. This is the first time the differences relate to so many issues: the Concordat, the date of the elections, taxes, privatization and sale of land of foreigners, and the districts issue. The permanence of the coalition thus depends upon what today still binds it. [end recording]

Poland: SLD Parties Meet To Discuss Early Elections, PSL

WS2705145196 Warsaw GAZETA SWIATECZNA in Polish 25-26 May 96 p 3

[Article by Agata Nowakowska: "The SLD on Early Elections, Cooperation With the PSL, and the Concordat; If Elections, Then in May"]

[FBIS Translated Text] The Democratic Left Alliance [SLD] wants the elections to the Sejm to be held as soon

as May 1997, before John Paul II makes a pilgrimage to Poland. This is to prevent the right wing from "taking advantage" of the pope's trip in the election campaign.

Heads of nearly 30 organizations which make up the SLD met yesterday in Warsaw.

"This is a preliminary attempt to close the party's ranks before the elections. The right wing has been active for a long time now," GAZETA WYBORCZA was told by participants in the meeting.

We found out that the idea of holding the parliamentary elections in May was the most popular at the meeting (the participants also considered September). "May is good because it will make it impossible for the right wing to take advantage of the pope's trip to his homeland in the election campaign," Piotr Ikonowicz (the Polish Socialist Party) told GAZETA WYBORCZA.

Government Too Independent

As GAZETA WYBORCZA found out, in his opening speech Jozef Oleksy, leader of the Social Democracy of the Polish Republic [SdRP], said that there are as many as five independent entities on the political scene, apart from the opposition: they are the president, the government, the SLD, the Polish Peasant Party [PSL], and... Grzegorz Kolodko.

"The SdRP chairman said that although Aleksander Kwasniewski and the prime minister come from the SLD, the party does not really have any influence on what they are doing. This means that the SLD selected members of the government, but this government is not entirely the SLD's government, one which is implementing the SLD platform. This is more like an independent government led by Wlodzimierz Cimoszewicz," Ikonowicz told us. "Oleksy said that it is necessary to exert pressure on the government to implement what the SLD is proposing."

How To Do It With the PSL

"What conclusions did you manage to come to yesterday," GAZETA WYBORCZA asked Ikonowicz?

"During this term nothing much will happen as far as the issue of the powiats [small administrative units whose reestablishment is envisioned in the SLD administrative reform] is concerned; however, a reform of the central administrative organs will certainly be launched. The SLD will not agree to the proposal submitted by Deputy Prime Minister Kolodko, in line with which next year's retirement pensions should be valorized by less than the [inflation-adjusted] 2.5 percent this year. Moreover, it was agreed that in 1997 public sector employees should

receive retroactive wage increases," we were told by Deputy Piotr Ikonowicz.

Another participant in the meeting, who wanted to remain anonymous, disclosed to us that another issue the SLD discussed was what tactics it should adopt in dealing with the PSL.

"The PSL is playing the role of a reviewer of the government. We cannot allow the peasants to go too far to the right. Therefore, SLD activists must not cut themselves off from the PSL too sharply. It is necessary to stress the possibility of reestablishing the alliance with the peasants," our interlocutor said.

Another issue discussed at the meeting was the concordat. Presidential Chancellory head Danuta Waniek, who took part in the meeting as the chairwoman of the Democratic Union of Women, repeated Oleksy's words in front of journalists: "Here is what we said: first the constitution, then the concordat. However, work on the constitution is drawn out and one cannot determine adoption of the concordat on the passing of the constitution, if ever."

Minister Waniek stressed, however, that despite this "minor difference," the SLD stand remains unchanged: The SLD is in favor of renegotiating the concordat and against its ratification in its present form.

[Warsaw ZYCIE WARSZAWY in Polish published on 27 May a front-page report by Roman Strzemiecki entitled "Elections As Soon As in a Year?" The author argues that President Kwasniewski's proposal to set the date of next year's parliamentary elections for May "may trigger a serious conflict in the coalition of the Democratic Left Alliance (SLD) and the Polish Peasant Party." Strzemiecki points out that early elections can be held only if the Sejm decides to dissolve itself or if the president dissolves it. The president can dissolve the Sejm in two cases: "If the Sejm passes a nonconstructive vote of no-confidence in the government, or if the Sejm fails to pass the state budget for three months. The four-year term of the Sejm can only be shortened by a majority of two-thirds of the votes. The SLD has only 170 deputies and it would need support from other parties." "SLD Politicians suggested last February that one of the first initiatives launched by the president would be a draft law on changing the date of all elections to late spring."]

Poland: Papers Note Realignment Moves Within Political Right

WS2805094396

[FBIS Report] On Monday, 27 May, two major Warsaw vernacular dailies carry reports on the polarization of

rightist parties in view of the upcoming parliamentary elections which President Kwasniewski has announced might be held next May.

ZYCIE WARSZAWY, a daily describing itself as independent, runs on page 2 a 350-word report signed "EK" under the title "The Constitution and Enfranchisement Will Unite the Right." Solidarity Spokesman Piotr Zak is quoted as announcing that "Solidarity, parties grouped within the Patriotic Camp (among them the Confederation for an Independent Poland, the Movement for the Republic, the Polish Peasant Party-Peasant Agreement) and the Independence-Peasant Coalition are forming a campaign bloc." He added that "the Center Accord and the Christian-National Union [ZChN] did not accept the invitation to discuss a joint election ticket." The report informs that "the bloc platform is to be focused on the citizens' draft constitution, mass enfranchisement, the reform of the social security and healthcare systems, economic reforms based on social teachings of the Catholic Church, a profamily taxation system, and protection of agricultural production." The member groupings are not unanimous on whether to admit the Freedom Union [UW] to their coalition. "Recent statements by UW representatives suggest the party is more likely to form an alliance with the Democratic Left Alliance in the future parliament," Kazimierz M. Ujazdowski, chairman of the Conservative Coalition, is quoted as saying. The report goes on to state that "Jan Parys, a leader of the Movement for the Third Republic, claims two formations should be formed: a conservative independence camp made up of the ROP, Solidarity, and Rural Solidarity on the one hand, and a liberal-leftist camp (the UW and Lech Walesa's supporters) on the other." "Such two tickets would reflect the natural differences between the parties and would be clear to the voters," Parys added.

GAZETA WYBORCZA, a center-left daily, carries on page 3 a 350-word report by "KNYSZ" and "WZ" entitled "What If They Unite?" "Solidarity Chairman Marian Krzaklewski," the authors write, "wants the broadest possible coalition, practically excluding only the Union of Labor. Our estimates show such a bloc could gather up 38 percent of support." The report goes on to point out that "UW Chairman Leszek Balcerowicz excludes the possibility of forming a coalition with the ROP. He does entertain the idea of cooperating with Solidarity, the 100 Movement, and possibly with the ZChN, the Non-Party Bloc in Support of Reforms and the OP [expansion unknown]. Such a coalition could count on up to 27 percent of votes. It should

be kept in mind, however, that the UW has a strong 'negative' electorate within Solidarity and the rightist parties." Finally, the report states that "ROP Chairman Jan Olszewski wants a coalition with Solidarity and those rightist parties which wish to keep their distance from Lech Walesa. His bloc could stand a chance of netting 25 percent of votes. It could, however, be boycotted by a huge number of Solidarity members who support Lech Walesa."

Poland: Deputy Defense Minister on U.S. Hawkeye Offer

WS2305141696 Warsaw SZTANDAR in Polish
23 May 96 p 2

[Article by Wojciech Luczak: "Flying Radars as a Gift for Best Friends"]

[FBIS Translated Text] In the course of reducing its own aircraft, the U.S. Navy is offering AWACS planes—small E-2C Hawkeye flying radar planes—to friendly states.

The Israelis have been tremendously successful in using their four Hawkeyes in air attacks in their conflict with Syria. Egypt has received 2 E-2C planes, Japan eight, and Singapore four.

"The Americans are trying to get us interested in various military systems. I must admit we are very interested in radar equipment, particularly the AWACS flying radar systems," Deputy Defense Minister Andrzej Karkoszka has told SZTANDAR. A high-ranking official, despite being enthusiastic about offers from Grumman and the U.S. Navy, doubts whether the Ministry of National Defense [MON] can afford to maintain a small squadron of Polish Hawkeyes in combat readiness. We unofficially learned that Poland needs three to five aircraft of this type.

Deputy Minister Karkoszka firmly denied rumors circulating in Brussels press circles that the Americans are prepared to finance a thorough modernization of "an air base in the vicinity of the Belarusian border," near Biala Podlaska. Karkoszka did tell us, however, that a makeover and adaptation of two air bases to NATO standards has been provided for in the MON budget. Asked whether these air bases are located in Slupsk and Malbork, he said: "I will neither confirm nor deny that." Karkoszka did admit that MON wants to train the first group of pilots on Western aircraft as soon as possible.

Romania: Iliescu, Vacaroiu Receive U.S. Ambassador Schifter

AU2405195896 Bucharest Radio Romania Network in Romanian 1900 GMT 24 May 96

[FBIS Translated Text] President Iliescu received Richard Schifter, the U.S. President's special adviser for national defense matters, at Cotroceni Palace tonight.

After the meeting, the presidential spokesman, Ambassador Traian Chebeleu, said that, aside from the bilateral relations, the Romanian head of state was handed a co-operation draft for economic support for the central and southeastern European region, in order to integrate the states in this region in the European processes and the European cooperation space. President Ion Iliescu welcomed this initiative and said that it is in accordance with our country's policy of developing regional cooperation.

Mr. Traian Chebeleu said the sides also discussed the initiatives in the U.S. Congress on granting most-favored-nation status to our country on a permanent basis, our correspondent Cristian Nita reports.

Before the meeting with President Ion Iliescu, Mr. Richard Schifter was received by Prime Minister Nicolae Vacaroiu. The meeting was attended by U.S. Ambassador in Bucharest Mr. Alfred Moses.

Romania: Article Discusses Aircraft Sales Deal With Cuba

AU2505161696 Bucharest ZIUA in Romanian 22 May 96 p 12

[Article by Oana Stanculescu: "Hrebenciuc Made a Nice Amount of Dollars by Selling Seven AN-24-Type Planes at a Price Next to Nothing"]

[FBIS Translated Text] The publishing of a photocopy of a banking message that came from Cuba, referring to the transfer of \$136,000 to the account of Viorel Hrebenciuc [government secretary general and manager of the electoral campaign of the ruling Social Democracy Party of Romania—PDSR] triggered a genuine tempest within the PDSR, claim cadres within that party. The transfer in question had been requested by the Bank for International Cooperation in Moscow. The amount deposited in Havana represents 90 percent of the 5 percent allowance to be received by Hrebenciuc for easing the way for a business contract by which the Cuban airline purchased the seven AN 24-type aircraft still owned by TAROM [Romanian national air company]. It seems that the price at which the planes were sold is next to nothing, as it does not exceed \$500,000 per aircraft. This amounts to about \$3 million, which is to be paid

in complex ores and sugar, this being a barter business transaction. The remaining 10 percent of the amount, that is, 0.5 percent of the entire contract, was paid to the Cuban intermediary who convinced the Cubana company to purchase the Romanian planes.

Hrebenciuc's mistake consisted in the fact that Havana has no swift banking ties with Moscow. With the purchase of these airplanes from Romania, Russia loses both the Cuban market, where they were hoping to be able to sell certain things, as well as the lucrative business with spare parts. The need for such parts in the overhauling of the aircraft made Romania dependent on Russia, as with all the other neighbor countries flying Russian-made planes. However, the selling of the seven aircraft in question also means that TAROM cedes one part of the domestic flight market to the company owned by the Paunescu group, which owns several Bombardier-type aircraft.

Romania: CDR's Constantinescu Interviewed on Budget, Elections

AU2505170496 Bucharest AZI in Romanian 22 May 96 p 7

[Interview with Professor Emil Constantinescu, president of the Democratic Convention of Romania, by Andrei Costa; place and date not given: "The Trust Deficit Is More Dangerous Than the Budgetary One"]

[FBIS Translated Excerpt] [Costa] The leadership of the National Liberal Party-Democratic Convention [PNL-CD] challenges the way in which the Democratic Convention of Romania [CDR] was registered at the Central Electoral Bureau as a "political-electoral" alliance. What is your position on this?

[Constantinescu] The CDR is a political alliance, in the legal meaning of the word, something that has not been quite understood by everybody. The difference between a political and an electoral alliance is that a political alliance operates at the national level, with a common program and particularly common electoral lists throughout the national territory. An electoral alliance can be dictated by circumstances. For instance, it can be in force in one locality and not in another, and therefore it can have several kinds of electoral lists. [passage omitted]

[Costa] Do you think that the National Liberal Party [PNL] and the PNL-CD were set at a disadvantage in certain localities, where preference was given to the National Peasant Christian Democratic Party [PNTCD] when appointing the candidates for the CDR lists in the local elections?

[Constantinescu] [Passage omitted] The CDR offers a very broad package. Any alliance is faced with difficulties, particularly at the time of elections. [passage omitted] It is possible that in one or another commune some grouping may have imposed its will over another grouping. But the important thing is that the quality principle has been observed, in general.

[Costa] Do you think that one should follow the suggestion of the PNL-CD leaders to draft a new CDR protocol whereby all member parties have equal rights and the right to veto?

[Constantinescu] As CDR president, I will not make statements on delicate matters that have not yet been discussed within the CDR. For the time being, the CDR protocol has eliminated the right to veto, which was considered to be hinder the overall proceedings. In my opinion, there is little chance that we will block ourselves again with a right to veto, through which one grouping may well protect its interests, but it may easily abuse this right as well. [passage omitted]

[Costa] Might not the reports on the SAFI [expansion unknown] financial scandal also have been motivated by political interests, in an attempt to affect the image of certain PNL leaders and the CDR's image, implicitly?

[Constantinescu] I would start with the end of your question. I do not agree to your statement on the "CDR's image, implicitly," because the CDR president does not have, has never had, and will never have any connection with the business world. You must be aware of the PNTCD's traditional position on this matter, which has been observed for 50 years, whereby the party leadership is not allowed to be directly involved in business. If anyone's political image were to be affected by this affair, then one should refer to the PNL. I must however add that the PNL has traditionally not subscribed to this option, but accepted it when it signed the Contract With Romania, that is, the CDR's option, according to which no dignitary elected on the CDR lists may also be involved in business; he should transfer his business affairs to an administrative board. But I stress the word "dignitary," that is a member of the government, parliament, or other official forums. This does not apply to the current PNL leadership, because Messrs. George Danielescu and Viorel Catarama are not even deputies at this moment, have no function in the state, and therefore no official quality that might have prompted them to use their positions in order to further their business affairs. [passage omitted]

There is no doubt that the whole scandal has a political connotation, too. It is a game of the Social Democracy Party of Romania [PDSR], which is thus trying to compromise the PNL and transfer that onto its political

image. [passage omitted] An attempt is being made to strike a comparison between mutual funds, like SAFI, and the Caritas-like pyramid money-saving schemes. This can create confusion among uninformed people. [passage omitted] It is known that the mutual funds, which are so successful in all market economies, have a weak point, namely that they must enjoy public trust. Or in Romania, the trust deficit is more dangerous than the budgetary deficit.

Romania: Party Representatives See Electoral 'Malfunctions'

AU2405194896 Bucharest Radio Romania Network in Romanian 1600 GMT 24 May 96

[FBIS Translated Text] A new working meeting on the current stage of the electoral campaign for the local elections was held today at Victoria Palace, the headquarters of the government. Representatives of the Social Democracy Party of Romania [PDSR], the National Peasant Christian Democratic Party [PNTCD], Democratic Party [PD], the Romanian National Unity Party [PUNR], the Socialist Party of Labor [PSM], the Greater Romania Party [PRM], the Civic Alliance Party [PAC], the National Liberal Party-Democratic Convention [PNL-CD], and the Romanian Ecology Party [PER] attended the meeting.

The chairman of the Central Electoral Bureau, Adrian Nitoiu, and Octav Cozmanca, head of the Central Technical Commission, briefed participants on the activity carried out thus far, and pointed out that the government has created the necessary conditions to ensure a constructive and nondiscriminatory attitude on the part of the local public administration authorities; equal opportunities for all candidates; and an adequate supply of data processing equipment in the electoral bureaus.

In their interventions, the party representatives brought up certain malfunctions in the communication links between the Central Electoral Bureau and the constituency bureaus; in observing electoral poster distribution; in ensuring voting in the military units; and in the way in which documents are issued and checked in the constituencies.

The president of the Central Statistics Commission, Alexandru Radocea, presented his commission's activity in the electoral process.

The government's press release announced that the next meeting will take place on 31 May at 1000.

**Romania: Presidency Spokesman Rejects
Hungarian-Slovak Treaty**

*AU2705143296 Bucharest Radio Romania Network
in Romanian 1300 GMT 27 May 96*

[FBIS Translated Text] The spokesman for the Romanian Presidency, Ambassador Traian Chebeleu, has expressed his belief that extremist forces in Hungary, the Hungarian diaspora, and political groups such as the UDMR [Democratic Union of Hungarians in Romania] are putting serious pressure on the Hungarian Government for the Hungarian side to insist on the inclusion in the basic [Romanian-Hungarian] treaty of a reference to Recommendation 1201, a document interpreted by some people as authorizing autonomy on ethnic criteria.

The spokesman again drew attention to the fact that it is being mistakenly stated that upon admission to

the Council of Europe, Romania had accepted Recommendation 1201, and mentioned that the Romanian side rejects the model of the Hungarian-Slovak treaty invoked by some Hungarian diplomats because this has not brought about a clarification of minorities' situation, but rather created another source of tension. The Romanian-Yugoslav treaty recently concluded in Belgrade could be a possible model to be followed, said the presidential spokesman, at the news conference he held at Cotroceni Palace.

On the same occasion the spokesman announced that the president of the Oriental Republic of Uruguay, Julio Maria Sanguinetti, will pay a visit to Romania on 29 and 30 May, upon an invitation extended to him by President Ion Iliescu.

Slovenia: Italian Official Holds 'Satisfactory' Talks
AU2705191296 *Ljubljana Radio Slovenia Network*
in Slovene 1700 GMT 27 May 96

[FBIS Translated Text] Italian Foreign Ministry Undersecretary (Piero Fassino) has been visiting Ljubljana today. He held talks with Foreign Ministry State Secretary Ignac Golob and was also received by Acting Foreign Minister Zoran Thaler. A news conference by Fassino and State Secretary Golob at Brnik airport ended about 30 minutes ago. Here is a report by Nadja Pengov:

[Begin recording] The purpose of the visit, as (Piero Fassino) says, was to learn about possibilities for final resolution of the open issues between the Slovene Government and the European Union to remove the EU associate membership agreement from the agenda as soon as possible. Italy would like this to happen during the Italian European Union presidency, which will run out at the Florence summit on 21 and 22 June.

On this occasion, the Italian Foreign Ministry undersecretary again stressed that the visit to Slovenia was the first move of the Italian foreign policy after the elections. The results of the talks were satisfactory, he said, as were the additional explanations. Final solutions are possible on the basis of today's talks and contacts over the next few days, he announced, so that Slovenia could perhaps already attend the Florence summit as an EU associate member.

State Secretary Golob had no objections to the preceding comments. The times of delay have passed, Golob said, and now we are catching up with lost opportunities. So, what was the agreement on the so-called Spanish proposal?

Undersecretary (Fassino) says it is acceptable for the Slovene Government and the European Union alike. It secures access to the Slovene real estate market four years after the associate membership is signed and grants the right to an earlier purchase to all who have resided on Slovene territory for three years. The Slovene Government does not give any special guarantees, he added. A clear commitment to the Spanish compromise and harmonization of its legal order are sufficient. [end recording]

Slovenia: Mediator on SFRY Succession Arrives in Ljubljana

AU2705183596 *Ljubljana Radio Slovenia Network*
in Slovene 1330 GMT 27 May 96

[FBIS Translated Text] Within the framework of the visit to all five countries that have emerged from the former Yugoslavia, Sir Arthur Watts, international mediator for the legal succession of the former Yugoslavia

[Socialist Federal Republic of Yugoslavia—SFRY], is visiting our country today. Sonja Znidarsic reports from the news conference held at the start of his visit:

[Begin recording] [Znidarsic] The purpose of the visit by the special plenipotentiary for the succession in our country is to hold bilateral talks with our negotiating team for succession headed by Dr. Miran Mejak. Prior to the talks behind closed doors, they both made statements for the public. First Arthur Watts:

[Watts, in English with superimposed translation into Slovene] At this stage in the proceedings, I am really still exploring the problems that the successor states are encountering. The first round of the talks took place in Brussels. It was beneficial. The second round is underway now. We will not adopt any conclusions after the Ljubljana meeting.

[Znidarsic] However, Watts said, I hope that we will nevertheless achieve some progress and that I will understand better where the main problems among the successors lie. The special negotiator also said that these were the talks of five participants, while he himself was in the middle, trying to help the successor states to find a common basis.

Due to the nature of the problems, the second round of talks is still of an investigative character. After I have held bilateral talks with all the successors, I will see where I stand and also decide what should be done, Watts said. It cannot be ruled out that there will be another meeting, therefore, another round of bilateral meetings with all five successors.

The head of our negotiating team, Miran Mejak:

[Mejak] We hope that the succession process will actually begin. We expect that we will be able to accomplish a breakthrough, that we will start resolving pressing problems on which we have data and which benefit everybody. This gradual approach is interesting for us. On the other hand, there are, of course, principles from which we will not step down.

[Znidarsic] The talks of our negotiating team with international mediator Watts will continue tomorrow.

Slovenia: Drnovsek Plans No 'Major Changes' in Government

AU2405205196 *Ljubljana Radio Slovenia Network*
in Slovene 2100 GMT 24 May 96

[FBIS Translated Excerpt] The executive committee of the Liberal Democracy of Slovenia [LDS] met in [word indistinct] today and, among other things, discussed the situation following the no-confidence vote in Foreign Minister Thaler.

Prime Minister Drnovsek stated that he does not plan any major changes in the government. He also added that the coalition agreement with the Christian Democrats has become outdated and that the LDS council would decide on its annulment.

Regarding the Foreign Ministry, Drnovsek sees no reason for ceding this department to the Christian Democrats.

As for the possibilities of creating a transitional, technical government, Drnovsek said that the proposal lacked any serious basis.

Prime Minister afterward met with representatives of Brda Municipality. [passage omitted]

Slovenia: Finance Minister on Government Economic Package

AU2405161796 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 24 May 96

[Report by Suzana Kos on news conference by Slovene Finance Minister Mitja Gaspari in Ljubljana on 24 May—recorded]

[FBIS Translated Text] [Kos] Just like some of our most important foreign trade partners, Slovenia will also have to correct some of its estimates, especially regarding inflation and production. The problems of exporters are amplified by the fluctuation of the exchange rate, Finance Minister Gaspari said when he presented the package of government measures on which the parliament will have the final word.

[Gaspari] I must, of course, stress here that no government measure or lack thereof can resolve once and for all a problem that is of a structural nature, namely, when somebody is too expensive in comparison with the competition and tries to export something that resembles other, cheaper products in quality.

[Kos] The salary policy is not appropriate, and that is why I hope that the trade unions will come to their senses, Minister Gaspari repeated today.

[Gaspari] There is no correlation whatsoever between all the strikes and demands that we are encountering and our actual capabilities.

[Kos] Due to their crucial impact on inflation, the government cannot agree to the price increase of oil derivatives in excess of 10 percent. This would widen further the discrepancy between the exchange rate and the prices and push the exporters deeper into the red. There are a lot of other problems, too.

[Gaspari] There is the introduction of the universal child benefits with catastrophic consequences for the

state budget. There are the laws that widened the social welfare benefits in the past and this year and that will come fully into prominence only next year, and also the tendency that the number of various investment funds, that is, investment programs will be expanded.

[Kos] The minister was only optimistic in announcing the achievements of the new revenue service. With a rigorous control over taxpayers, he expects that the service will instill a new business morale. He is also deeply convinced that, through the savings of the budgetary consumers, he will succeed in saving 10 billion tolar for the normal payment of pensions and that those who live at the expense of the taxpayers will spend 0.5 percent less money this year.

Slovenia: Tax Shifts Proposed To Stimulate Economy

AU2405132496 Ljubljana DELO in Slovene 17 May 96 p 3

[Article by Miha Jenko: "Government Suggests Measures To Relieve Burden on the Economy"]

[FBIS Translated Excerpt] Ljubljana, 16 May—At its session today, the government suggested a number of economic policy measures to relieve the burden on the economy by about SIT [Slovene Tolars] 9 billion or an average of 1.6 percentage points. At today's press conference, Andrej Engelman, the state secretary of the Ministry of Finance, said the burden on the work-intensive branches with low wages will be decreased the most. The measures include certain changes and the passage of six laws, as well as a rebalancing of the state budget. [passage omitted]

Within the framework of the measures, the government is suggesting that the collection contribution level for social security, which is paid by employers, be decreased 4 percentage points. With this the contributions will be decreased SIT22.5 billion—"to ensure that pensions are in no way threatened, the government suggests a rebalancing of the state budget, which would increase transfers into the pension funds by the same amount. Half of these means are to be saved by the budget from its own sources with the existing tax levels—partly because of higher inflation and better tax revenues," Engelman explained. The other half is to be replaced by new tax sources. The government estimates that with the suggested rebalancing, the extent of public spending would remain practically unchanged, since the income of the department for pensions and invalid insurance would decrease by the amount of the increase of transfers. The government has also suggested a law on gross wages with a progressive system, which would obtain approximately SIT11 billion. In this way, wages

under SIT85,000 gross would not be taxed, and those between SIT85,000 and SIT95,000 would be taxed at 1 percent. Wages between SIT95,000 and 105,000 would be taxed at 2 percent, and wages between SIT105,000 and 115,000 at 3 percent. Wages between SIT115,000 and 750,000 would be taxed at 4 percent, and gross wages above SIT750,000 would be taxed at 6 percent. According to the suggested law on company taxation, which is payable once a year, the stock holding companies would pay SIT120,000 per year, other companies would pay SIT70,000, and independent entrepreneurs and physical persons would pay SIT30,000. The government wants to encourage investments by changing the tax on profits. [passage omitted]

Slovenia: Kucan Urges More Economic Cooperation With Prague

AU2405204496 Ljubljana Radio Slovenia Network in Slovene 2100 GMT 24 May 96

[Report by Tomaz Gerden on news conference by Slovene President Milan Kucan in Prague on 24 May—recorded]

[FBIS Translated Text] Slovene President Kucan assessed highly his first official visit to the Czech Republic. He often meets with President Havel and maintains good cooperation with him. On this occasion, the Czech side truly gave our state delegation a grand reception, the highpoint of which was the ceremonial opening of the exhibition on the work of the architect Plecnik.

The Czech Republic is very sympathetic to Slovenia, President Kucan said, and we must do our best to preserve this friendship. For that reason, it would pay to open up to the Czech Republic, especially in the economic sphere within CEFTA [Central European Free Trade Agreement]. Slovenia has great possibilities here, especially after it resolves the problem of our clearing account debt to the Czech Republic.

According to Kucan, the countries share identical goals and very similar strategies for their achievement. This is particularly true of integration with the European Union and NATO. Central European countries should not compete over who will be the first to join these international organizations.

It is no coincidence that the Czech Republic and Slovenia—and this was emphasized very strongly during the visit—have similar views on the Slovene problems with Italy and the Czech problems with the heritage of the Sudetenland Germans. Both sides would prefer if bilateral problems had not hindered international cooperation.

According to President Kucan, the Czech Republic and Slovenia have achieved a high level of mutual trust. After the parliamentary elections and the formation of the new Czech Government, this country's foreign minister will visit Slovenia. This will mean the continuation of very good and friendly contacts between Slovenia and the Czech Republic.

Slovenia: Reporter Detained Regarding 'Kaminsky Affair'

AU2705143896 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 27 May 96

[FBIS Translated Text] In connection with the delivery of Radio Slovenia journalist Uros Slak to the premises of the UNZ [Internal Affairs Administration] Ljubljana, the public liaison service of the Ministry of Internal Affairs issued a statement for the public.

The statement says that Slak was, on several occasions, invited both verbally and in writing to turn up for questioning in connection with the suspicion of his having committing the criminal act of falsifying the documents in the Kaminsky affair. Namely, Uros Slak could provide useful information in the clarification, that is, uncovering of the falsifiers of the counterfeit SOVA [Slovene Information Security Agency] report. As Slak did not respond to the invitations for talks, two Ljubljana crime department officers turned up in his home this morning and invited him to follow them to the premises of the UNZ Ljubljana.

As the public liaison service writes in its statement, Slak used the time that the two crime department officers gave him to get ready to inform his colleagues, and he delayed the departure until their arrival. Slak said he would not go to the police station. For that reason, he was, after a prior warning, pursuant to Paragraph 3, Article 148 of the Law on Penal Code, escorted to a vehicle with the use of a one-handed expert grasp and then taken to the premises of the UNZ Ljubljana.

From there he was allowed to call his attorney; however, because he refused to volunteer any information regarding the Kaminsky Affair, he was released following a short discussion.

Slovenia: Journalist Implicated in Kaminsky Affair Released

AU2705145996 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 27 May 96

[Statement by Radio Slovenia correspondent Uros Slak in Ljubljana on 27 May—recorded]

[FBIS Translated Text] Point 6 of the International Journalists Association stipulates that a journalist is

bound to protect his sources of information and honor the confidentiality of his sources.

I did not wish to answer the questions of the crime department officers. They primarily wanted to know from where I obtained the controversial SOVA [Slovene Information Security Agency] document regarding the Kaminsky Affair and if I would hand it over to them. In other words, they allegedly held reliable information that I was in possession of this document.

After I told them that I did not wish to answer their questions, a crime department officer threatened that they would perform a search of my home and obtain a court order. He sent me to a nearby room, where I was supposed to wait in the presence of the second officer. After nine minutes, the first officer returned and told me that I could go.

Slovenia: New Publication on Slovene Print Media Published

AU2705194396 Ljubljana DELO in Slovene
22 May 96 p 2

[Article by Jelena Gacesa: "5 Million Copies of Papers Annually"]

[FBIS Translated Text] Ljubljana, 21 May—Mediana STM—Slovene Printed Media in 1996 is the title of the first publication by the Institute for Media Research. It contains information on 656 papers, namely, their publishers, advertisers, format, and circulation, as well as the presentation of their contents. According to the Institute's director, Janja Bozic Marolt, the next media review will come out on the Internet next year. They

are also planning an exhibition on the Slovene printed media, which will be linked to an event of greater media significance.

The publisher's main objective was to produce a detailed review of the size and the structure of the Slovene press. They will be able to gauge the reactions to their work in approximately one year's time. The publication contains all printed media that were found for free sale or in the National and University Library and that have been registered with the Information Bureau. By taking out adverts in the dailies, they called on everyone to take part in the publication. They decided to include only those publications that were still coming out and that had returned completed questionnaires, while they contacted those who failed to do so on at least three occasions.

They found out that 5 million copies of publications in 656 different formats come out at least once a year. The publishers themselves find the figure difficult to understand or believe, however, they judge it to be realistic. Namely, the figure entails the two thirds of the printed media that were willing to publicize their circulation, while the remaining third, for unknown reasons, preferred to hide it. The publication features printed media that are issued in only 50 copies as well as those rare and outstanding ones that boast a circulation of 100,000 copies. Three quarters of the collected titles are published in the Ljubljana region, 8.5 percent in Maribor, and the remaining 16.5 percent elsewhere in Slovenia. The most, 17 out of 656 papers, are published by Delo Revije, while the majority of publishers focus on one printed source alone.

Federal**FRY: Opposition Criticizes Latest Government Reshuffle***LD2805141996 Belgrade SRNA in Serbo-Croatian 1156 GMT 28 May 96*

[FBIS Translated Text] Belgrade, 28 May (SRNA)—Spokesman for the Serbian Renewal Movement (SPO) Ivan Kovacevic said today that "no new minister in the government of Serbia is worth commenting on."

Responding to the latest reshuffle of the Serbian Government, Kovacevic explained that the dropped ministers were all from the Socialist Party of Serbia while their replacements were from the Yugoslav Left (JUL) [the Yugoslav United Left]

"Power in Serbia is now in the hands of a nonparliamentary group. In cooperation with other parties we shall do our utmost to drive them out," Kovacevic said at a press conference in Belgrade.

He said that the SPO would continue to boycott parliament until TV cameras were allowed back in.

FRY: Karadzic 'Ploy' Said To Highlight Regime Press 'Lies'*AU2705121596 Belgrade NASA BORBA in Serbo-Croatian 21 May 96 p 8*

[Commentary by Ivan Torov: "Embellishing the Truth"]

[FBIS Translated Text] If it were not so sad, it would be funny. What else can one say about the latest attempt of leading Belgrade media, above all RTS [Radio and Television of Serbia], TANJUG, POLITIKA and its television, to inform the Yugoslav public with its usual manner of embellishing the facts that the main obstacle to the Dayton Agreement has been removed. According to them, Karadzic did not only delegate part of his competence (that of negotiating with the world) to Biljana Plavsic, but he has actually definitely given up the position of president of the Serb Republic. According to them, Plavsic was not chosen by Karadzic himself to replace him in dealing with the international community, but was chosen as temporary president of the Serb Republic.

As in the saying "granny believes what she would like to believe," the regime's propaganda machine made only one, maybe an unforgivable "mistake"—they did not finish presenting "their" view of Pale events with the usual slogan that "Karadzic's departure is yet another huge contribution of the peacemaking policy of our...." Because, since they did not say that Karadzic had actually not gone, that he had not resigned, that he had not, through the choice of Biljana Plavsic, reduced

the possibilities for him to continue to have a decisive influence—they wanted to create the impression among their readers, viewers, and listeners, that Belgrade had taken things into its hands.

Unfortunately, with that sort of journalistic "professionalism," lies become truth, and if the facts do not fit the "truth" created by the regime, then—all the worse for the facts. Surprisingly, the professional and responsible reporting of other independent domestic media, numerous foreign agencies and electronic media will not be distracted by that consequence and the lack of criticism about the prepared scenario of the outcome within the Bosnian Serb knot. It seems that the comical efforts to conceal the real background of the recent duel with Avramovic did not warn the regime journalists that, regardless of how much they might wish the opposite, there can be no going back to the "good" old days when we could read exclusively uniform and politically synchronized newspapers.

However, one big dilemma remains. If the Belgrade propaganda factory of lies, deceptions and made-up information has already marked Karadzic as the "former" or "eloped" president, how will they explain to their readers and viewers why the situation in the Serb Republic has still not started developing in the way Belgrade wants. And that is not ruled out if Karadzic's departure, and his pushing into the foreground politicians who are exactly like him, namely Plavsic and Klikovic, is interpreted as yet another ploy and maneuver of the "candidate for the Hague" from Pale.

FRY: Serbian Opposition Party Backs Karadzic, Mladic*LD2605163796 Belgrade SRNA in Serbo-Croatian 1440 GMT 26 May 96*

[FBIS Translated Text] Belgrade, 26 May (SRNA)—The Serb Republic did not lose the war against its opponents nor did it capitulate in the face of the massive bombardment by NATO aircraft—it will not capitulate now despite efforts of the international community to bring it to its knees, the People's Assembly Party (SNS) has said.

In today's statement the SNS says the world is trying to defeat the Serb Republic after the war has ended by threats and by putting its leaders on trial.

"The main obstacle to the implementation of the peace agreement is the lack of coordination within the Muslim-Croat Federation, but this failure of the international negotiators is covered up by the media uproar over the requests to bring President Radovan Karadzic and General Ratko Mladic to The Hague," the statement continues.

The SNS recalls that President Karadzic and Gen. Mladic led the Serb people in the Serb Republic in its struggle for self-determination which, even under the UN documents, may comprise an armed struggle.

"Karadzic and Mladic are not accused of waging war not only because the Hague tribunal cannot put them on trial for this, but because presidents and military commanders of the Croat and Muslim side would have to be on trial before them in that case," the SNS statement says.

FRY: Kontic Tells Assembly of Trade Priorities

AU1405204296 Belgrade Radio Beograd Network
in Serbo-Croatian 1700 GMT 14 May 96

[FBIS Translated Text] At the afternoon part of the session of the Federal Assembly's Chamber of Republics, Federal Prime Minister Radoje Kontic submitted report on tomorrow's [word indistinct] on the systemic laws. Here is a report by Ida Maricic:

[Begin recording] [Maricic] The Federal Government thinks that conditions are there for a breakthrough to be made in completing and [words indistinct] of economic systems in the [word indistinct] basis, which is an imperative for opening broad [word indistinct], the Federal Prime Minister said, addressing the deputies of the Chamber of Republics. He pointed out that, despite everything that had happened to us during recent years, we had achieved [word indistinct] results. However, these results would be limited in scope if a thorough economic reform were lacking.

[Kontic] Experience and all knowledge confirm the need for [words indistinct] that would stimulate a more efficient use of production factors in a new and productive way. Through the accelerated normalization of relations with the world, chances are opening up for activating two crucial processes: building new modern institutions and a corresponding practice, which would be compatible with institutions and practice [words indistinct] economies particularly in the EU.

The Federal Government is convinced that these two processes need to be activated simultaneously, with urgency and support on the part of all social factors. Therefore, the point does not lie exclusively in completing and rounding up [word indistinct] system, but also in renewing its complete functioning in compliance with the Constitution, laws, and the best practice. In some segments, this practice has reached an enviable level thanks, among other things, to the developed cooperation with international organizations and (?many) foreign partners. This [word indistinct] turnaround in the economic system is possible in [word indistinct]. This is why it is so very important to adopt the laws proposed.

[Maricic] Prime Minister Kontic pointed out that the Federal Government sees the complex of the economic system laws in the light of two major and deep changes: structural transformation and developmental transformation, without which economic progress would not be possible.

[Kontic] Because of all that, the Federal Government is preparing an (?expansive) development policy after the proposed laws are passed. It goes without saying that it being realistic and the grounds on which it lies depend not only on the combination of internal factors, but on the foreign situation as well. For that reason, we are devoting our full attention to the economic and political approach to foreign countries, the normalization of relations with the world, which is under way, and the reintegration of our economy [words indistinct].

[Maricic] Economic recovery, economic stability and development, Prime Minister Kontic went on to say, was and has continued to be our choice. Therefore, there are no obstacles for us in reaching an understanding on the essential economic issues with the EU, the IMF, the World Bank, or other international organizations. The course of our development lies along a modern option: As regards the function of the state and business relations, we have taken a direction that has been confirmed in practice: The swift normalization of relations with international financial and trade organizations, as well as regional and European ones, Prime Minister Kontic pointed out, is in the strategic interest of our country. In this context, the Federal Government issued a program of activities to harmonize the FRY legal system with regulations established in the EU. When harmonized with the European one, our legal and therefore economic system will make possible an easier legal, economic, and any other communication not only with EU countries, but also with all other market-oriented countries.

[Kontic] On the other hand, our current economic situation and system buildup, a part of which you are facing now, represent a considerable basis for resuming confidence and cooperation with the IMF, the World Bank, the World Trade Organization [WTO], and other international organizations. [word indistinct] of the new cooperation will be mutually useful. What is extremely important for us is the support for our stabilization and development and what is important for international organizations and our foreign partners is above all our becoming capable regularly to repay debts, as well to renew and strengthen economic and financial currents and links.

Without organizing relations with the IMF, the World Bank, and the WTO, there will be no dynamic economic

activities or desirable structural changes. The dialogue has already been opened with the IMF, the World Bank, the WTO, the European Investment Bank, [word indistinct]. The initiative has been started for opening negotiations with the European Bank for Reconstruction and Development. These processes will become maximally dynamic during the period we are facing now; we expect to continue talks with the IMF and WTO at the end of this month or beginning of the next one.

[Maricic] The federal prime minister also recalled that we had already achieved very significant results in the sphere of bilateral relations. With a large number of countries with which the earlier Yugoslavia had signed interstate agreements, we signed accords to continue to implement them in the future mutual relations, and thus our legal continuity has been realized. He pointed out that the normalization of relations with the WTO has a special significance. This is why, he added, the Federal Government will take all measures to normalize relations with the WTO as soon as possible. [end recording]

FRY: Trade Minister Says Foreign Trade Almost Restored

*LD2805125196 Belgrade TANJUG in English
0959 GMT 28 May 96*

["Ecopool" item]

[FBIS Transcribed Text] Belgrade, May 28 (TANJUG)—Yugoslav Minister of Trade Djordje Siradovic said on Monday that Yugoslavia had nearly restored the conditions from the period of 1990-1991 when the country had the highest level of liberalized foreign trade.

At a meeting of directors of manufacturing and foreign trade companies at the Serbian Chamber of Commerce on Monday, Siradovic pointed to the need to adequately regulate the protection of domestic production in the process of liberalization.

Siradovic said that the Yugoslav Government was negotiating with the World Bank, the International Monetary Fund and the World Trade Organization on its status in these organizations.

President of the Serbian Chamber of Commerce Vlatko Stojiljkovic said that the volume of trade exchange in the first four months of 1996 was not satisfactory.

Imports stood at 936 million dollars while exports reached only 460 million dollars.

Yugoslavia mainly exported raw materials while exports of finished products was lower than planned.

Stojiljkovic denounced a lack of organization in winning new markets and said that there was unfair competition between a number of Yugoslav companies in concluding deals with foreign partners which could only harm the companies and the Yugoslav economy.

FRY: Reduced Inflation, Lower Production Predicted

*LD2405145396 Belgrade TANJUG in English
1222 GMT 24 May 96*

["Ecopool" item]

[FBIS Transcribed Text] Belgrade, May 24 (TANJUG)—The situation in Yugoslavia's economy is characterized by a stabilization of prices, a drop in the predicted inflation, but a slowing of production and unfavorable foreign trade results, it was heard at a press conference at the Institute of Economics in Belgrade on Thursday.

Speaking about industrial production, Dr. Miroljub Labus explained that its slowing down was a result of the production drop in the strategic power industry, so that the significant production increase in metallurgy and the non-metal industry has not improved the overall picture.

Experts of the institute predict that there will be no essential changes in May and June and that production will be higher only about three percent in the first half of this year, as compared with the same period in 1995.

No essential changes are expected either in the area of prices. monthly price increases have stabilized at about three percent, which can also be expected in May, experts said.

There are no new companies that plan higher prices, which has led institute experts to conclude that the predicted inflation will be lower, it was heard at the conference.

A major foreign trade deficit has occurred as a result of major imports of raw materials and production material, but the better supply of imports has not affected [as received] an increase in production, Professor Labus said.

Serbia

Serbia: Assembly Reshuffles Government at PM's Proposal

*LD2805113196 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1010 GMT 28 May 96*

[FBIS Translated Excerpt] Belgrade, 28 May (TANJUG)—The Serbian Assembly today relieved of

their duties several ministers in the republic's government at [Serbian] Prime Minister Mirko Marjanovic's proposal and elected new ones by an open ballot.

The new deputy prime minister and minister of agriculture is Nedeljko Sipovac, who replaced Ivko Djonovic.

Milivoje Stamatovic has become minister for labor, veterans, and social issues, replacing Jovan Radic, who submitted his irrevocable resignation. Dusan Kanazir was elected minister of science, replacing Slobodan Unkovic.

Aleksandar Tjanic, editor in chief of the BK [Brothers Karic] television station, was elected minister of information. Former Information Minister Ratomir Vico will remain a government minister, but without portfolio.

Svetolik Kostadinovic, director of the Yugoslav Railway company, will head the Ministry of Transport and Communications, instead of Aleksa Jokic.

The newly formed Ministry for Tourism will be headed by Mirjana Stankovic, the director of the Putnik travel agency. Srdjan Nikolic, former minister of trade and tourism, will be minister of trade.

The assembly today relieved government member Vekoslav Sosevic of his duties.

Prime Minister Marjanovic explained his proposal to reshuffle the government by saying that all the ministers—except Jovan Radic—would take up new duties or were relieved of their duties due to health reasons. [passage omitted]

Serbia: Government Members After Reshuffle Listed

AU2805152396 Paris AFP in English
1514 GMT 28 May 96

[FBIS Transcribed Text] Belgrade, May 28 (AFP)—Following is the full list of Serbian Prime Minister Mirko Marjanovic's government, which was announced Tuesday.

Prime Minister: Mirko Marjanovic

Deputy Prime Ministers: Slobodan Babic, Svetozar Krstic, Ratko Markovic, Slobodan Radulovic, Nedeljko Sipovac

Interior: Zoran Sokolovic

Finance: Dusan Vlatkovic

Information: Aleksandar Tjanic

Justice: Arandjel Markicevic

Education: Dragoslav Mladenovic

Transport and Communication: Svetolik Kostadinovic

Science and Technology: Dusan Kanazir

Industry: Oskar Fodor

Agriculture: Nedeljko Sipovac

Mines and Energy: Dragan Kostic

Commerce: Srdjan Nikolic

Tourism: Mirjana Stankovic

Culture: Nada Popovic-Perisic

Employment: Milivoje Stamatovic

Health: Lepasava Milicevic

Environment: Jordan Aleksic

Sport and Youth: Vladimir Cvetkovic

Religion: Dragan Dragojlovic

Private enterprise: Radoje Djukic

Construction: Branislav Ivkovic

Relations with Serbs outside Serbia: Radovan Pankov

Ministers without portfolio: Milun Babic, Andrea Milosavljevic, Dragan Tomic, Ratomir Vico.

Serbia: Marjanovic Believes in B-H Peace 'Even After' IFOR

AU2705141696 Belgrade Radio Beograd Network
in Serbo-Croatian 1300 GMT 27 May 96

[Remarks made by Serbian Prime Minister Mirko Marjanovic to a "group of foreign reporters" in Belgrade on 27 May—recorded]

[FBIS Translated Text] I am an optimist when it comes to peace in Bosnia. I am an optimist because the people have had enough of war; all the nations in the entities in that area have had enough of war. We believe that these nations have been greatly manipulated by their nationalistic leaders. We believed that before, and we believe that now. Therefore every person now, and every member of any of the three nations, is clear that it has all been a tragedy and that an end to the tragedy had to come.

I am optimistic that the elections will be held and that they will be fair. I am also optimistic that the peace in Bosnia will be preserved even after the departure of the Implementation Force. I repeat, the basis for this lies in the fact that no citizen of the former Bosnian republic wants war.

Serbia: B-H Serbs Urged To Reject Referendum on Karadzic*AU2605143696 Paris AFP in English
1402 GMT 26 May 96*

[FBIS Transcribed Text] Belgrade, May 26 (AFP)—Official Yugoslav radio called Sunday [26 May] on Bosnia's Serbs to reject proposals for a referendum in support of their leader Radovan Karadzic, saying it would have "catastrophic consequences."

Radio Belgrade called the idea of a referendum a "new trick" by radicals in the Bosnian Serb leadership who "are trifling with the fate of the Serb people of Bosnia and those of Serbia and Montenegro."

Several leading figures in the Serb leadership put forward a referendum last week as an option if the international community vetoed a compromise that would allow Karadzic—an indicted war crimes suspect—to remain president but stay firmly in the background.

The radio said that a referendum in support of Karadzic would spark renewed sanctions against federal Yugoslavia and the Bosnian Serb entity in Bosnia and block implementation of the Dayton peace accord.

It was especially dangerous ahead of elections which have to be held across Bosnia by the end of September, it added.

According to a compromise deal worked out between western diplomats and the Bosnian Serbs during the week, Karadzic will retire from public view but remain in his post.

He and Serb military commander General Ratko Mladic have been indicted for war crimes by the International Criminal Tribunal on former Yugoslavia and are in theory barred from holding public office, under the Dayton accord.

Serbia: War Criminals' Presence at Djukic Funeral Assailed*AU2705125796 Belgrade NASA BORBA
in Serbo-Croatian 24 May 96 p 8*

[Commentary by Radovan Kupres: "Ball of The Hague Vampires"]

[FBIS Translated Text] Only Isidora Bjelica [prominent Serb nationalist] was missing. At the risk of being accused of making fun of something one should really not make fun of, a funeral, one simply cannot avoid observing this. But it is yet another in the series of our country's mockeries of the rest of the world, that is, the Hague War Tribunal.

We are talking about the funeral of the late General Djordje Djukic, which was attended by pretenders from home and abroad to the dock in The Hague. The funeral was attended by Ratko Mladic, commander of the Serb Republic Army. Like any other law-governed country, our country should arrest him and extradite him to the Netherlands. But why should we be arresting foreigners when we are not even handing over to The Hague our own people indicted by the tribunal, like Veselin Sljivancanin, who also attended the funeral.

So, there were enough elements to please the scandalous young right-winger, the (unjustifiably) self-proclaimed best party-maker in Europe [Isidora Bjelica]: prominent leaders with supernationalist credentials, a bizarre venue (cemetery), and a morbid context. The concept was marred only by the fact that the gathering was also attended by a nameless crowd and a large number of curious people who were more interested in Mladic's appearance than the actual burial. Attending Bjelica's parties has always been a prestigious thing, reserved only for a special elite.

After all, it was not even blasphemous to think about a party at the cemetery since the Serbs are famous for gathering, eating, and drinking at the graves of their nearest and dearest. Some ethnologists have found the roots of that in the slavery under the Turks, who used to allow the Serbs to gather together only at cemeteries, where they then started discussing politics.

The Americans would perhaps describe this as a goodbye-saying party [three preceding words in English]. The reference is to the passengers for The Hague. It could also mean, again in the disliked American spirit, a welcome back party. Welcome back sanctions!

Serbia: Hague Tribunal Witness Returned to Belgrade*AU2605165696 Paris AFP in English
1605 GMT 26 May 96*

[FBIS Transcribed Text] Belgrade, May 26 (AFP)—The International War Crimes Tribunal in The Hague has sent back to Yugoslavia a witness who had been "loaned" by Belgrade, his lawyer Veljko Guberina told AFP here Sunday.

Radoslav Kremenovic, 28, was returned to Belgrade on Saturday, she said. He had been arrested in Serbia in March along with Drzen Erdemovic, 24, who told a preliminary inquiry he had taken part in the massacre of Bosnian Moslems in Srebrenica in eastern Bosnia.

The two men were handed over to the tribunal in The Hague on March 29 as witnesses.

Kremenovic was accused of sheltering Erdemovic, and Guberina said Sunday her client had been taken to the northwestern Serbian city of Novi Sad and would be tried for assisting a suspected war criminal and carrying an illegal weapon.

Serbia: Serbian Orthodox Bishops on 'Unjust' Hague Tribunal

LD2505221496 Belgrade SRNA in Serbo-Croatian
2053 GMT 25 May 96

[FBIS Translated Excerpt] Belgrade, 25 May (SRNA)—The Holy Bishops' Assembly of the Serbian Orthodox Church is gravely concerned because of the unjust and unequal attitude of the international community towards sides which took part in the conflict on the territory of former Yugoslavia.

In a statement issued after the regular session held from 14 to 25 May at the seat of the Patriarch in Belgrade, the Assembly warns that for the first time in history The Hague Tribunal is putting on trial, almost exclusively, the leaders and representatives of only one side in the conflict, which effectively means that the whole Serbian nation is being brought to trial.

"Unfortunately, the black shadow of the Dayton diktat is casting a shadow over the views of many of our people, thus creating new divisions and rifts among them". [passage omitted]

Serbia: Marjanovic Sees Serbia, FRY as Lucrative Market

LD2705213896 Belgrade TANJUG in English
2126 GMT 27 May 96

["Ecopool" item]

[FBIS Transcribed Text] Belgrade, May 27 (TANJUG)—Serbian Premier Mirko Marjanovic said on Monday that Serbia and its parent Yugoslavia were a good and large market and that investors should be advised to invest here because of numerous inducements.

Serbia is fully committed to privatisation which will be carried out on the true market principles and with the firms having the freedom to decide how and in what areas to apply these principles, Marjanovic told foreign reporters in Belgrade.

Marjanovic was meeting reporters for some 30 media from 24 countries who had taken part in a traditional international meeting of journalists in the coastal resort of Milocer in the Yugoslav Republic of Montenegro.

He said that the Serbian parliament would in the autumn, after passing the relevant federal laws, pass also Serbian

legislation regulating ownership transformation, labour relations, foreign investment and corporations.

Marjanovic said that Yugoslav firms had been doing business on the market principles since 1952, when the state abolished the central planning system.

He stressed that foreign nationals here could own a firm fully or in part and that there was no obstacle to the flow of capital.

The Yugoslav economy has long essentially differed in structure from the economies of the Eastern European countries, having been modernised in good time in cooperation with leading British, German, U.S., French and Italian firms, Marjanovic added.

Serbian Minister Oskar Fodor, who also attended the meeting, said that Yugoslavia's industry had never been fully owned by the state and that one-half of the domestic product was already generated by the private sector.

Marjanovic said that the Serbian Government would continue to insist on firm budgetary discipline and would lighten the tax burden and create more scope for investment and development by the end of the year.

He said that nationwide industrial production in the first four months of 1996 had risen by 3.3 percent, and that foreign trade had reached 1.3 billion dollars since January, with a marked growth of export.

Prices rose in May by 2.5 percent, wages rose in April in real terms to reach about 600 dinars (170 German marks) on the average, Marjanovic said.

He said that talks with the International Monetary Fund and other financial institutions would be resumed in early June and that the replacement of National Bank of Yugoslavia (Central Bank) Governor Dragoslav Avramovic would not affect resumption of cooperation.

The government is in full control of the reform and development programmes, so that personnel matters are of no importance to the successful solution of problems, Marjanovic said.

Serbia: Avramovic Discusses Privatization Model

AU1305191496 Belgrade TELEGRAF
in Serbo-Croatian 8 May 96 pp 10-11

[Interview with Dragoslav Avramovic, governor of the FRY National Bank, by Vesa Kosic; place and date not given: "The Government Wants To Secretly Sell Everything, and I Publicly Offer the Crucial Role to Workers"]

[FBIS Translated Text] Although the passions aroused by the conflict between Dragoslav Avramovic, governor

of the National Bank of Yugoslavia, and the Federal Government, have not yet calmed down, it seems that a new front has been opened in this "war." The governor has prepared, together with the working group that he formed for this reason, his own proposed version of the privatization law. The ideas for this and from the version offered by the Federal Government will be presented to the Yugoslav public in parallel. The government's law is already in the Federal Assembly and it has been included on the agenda for the next assembly session. What will happen to the proposal of the governor's working group is still uncertain. That was the reason for our talk with Dragoslav Avramovic, governor of the National Bank of Yugoslavia.

[Kosic] The gap between yourself and the Federal Government on the approach to the world financial institutions has still not been closed and you have now opened another front.

[Avramovic] I have not opened any front. In the formulation of Program 2 the democratization of property relations is one of the written elements. Back in October I thought of forming a working group, to include entrepreneurs, unions, representatives of political parties that had submitted proposals, and our distinguished economists who had worked in that field, to make an analysis of all existing proposals and come up with a recommendation on what was to be done. My idea was that this should be forwarded to governments and assemblies. Unfortunately, that was not done then because of my illness. It is a pure coincidence that this has been done at this moment when the government has just come up with another proposal (the government had one proposal in October, which was considerably different from the present one). So this is by no means opening another front. The result of the work of this group and what has been proposed by the government contribute to the common consideration of one of the central issues of our economy and of our future.

[Kosic] What is the essence of your concept and what is the difference to what has been offered by the government?

[Avramovic] It is only today that I have seen what has been offered by the government, although I did already know some of it before, but I read it while I was on the dialysis machine, as time passes faster that way. There are four differences. Two are substantial and two are procedural.

The substantial differences are, first, that in the government's concept privatization is optional. It is carried out on the basis of the recommendation of a company. In our conditions, as far as I know, although I am not a sociologist, but I do get the views of the Institute for

Social Sciences, companies are managed by directors today, not by managing boards or workers' councils. In other words, the decision of a company to start the process of privatization is a decision made by someone who could lose out in that process. That is number one. Number two, in our system, as far as I know, all directors are appointed by political governments. Therefore, the entire thing in this case is undetermined, permissive, it can happen...

[Kosic] But it does not have to be?

[Avramovic] ...unlike the concept of the working group, which is absolutely firm. Since experience has shown that it is good if the company cooperates, the concept of the working group anticipates that the initiative should come from the company. They have three months to decide whether they want to divide their shares or to sell them; then, to whom they want to sell them, and so on. And then, if in those three months they submit no request or if their proposal is not satisfactory, it comes to the implementation of the law, which says that all companies are turned into shareholding companies, and it is determined who gets what: What will be sold and what will be distributed for free.

Another difference is that in the government's proposal there is a quiet provision that the shares can be sold at favorable prices, but they do not say to whom. I could not find out to whom. In the proposal made by the working group, the shares are divided as soon as a company is proclaimed to be a shareholders' company. A certain percentage—25 to 30 percent—goes to the workers for free; 20 percent, for example, goes to the pension fund; 20 percent goes in the form of vouchers to the entire population, except for those who have already got something according to one of the first two principles. The remaining 30 percent, approximately, are sold by the state, and out of that it pays for what it regards as a priority. That can be savings, or the paying off of debts, help for the unemployed, or the retraining of the labor force, whatever the states wants. I have to add that these percentages are arbitrary, they are only an idea of mine. The final economic and political decision will be made by parliament.

The basic difference between the two, as I see it, is that the government's program proposes that everything should be sold, whereas this program, proposed by the working group, in essence gives the crucial role to the workers.

[Kosic] Once the workers, retired people, and others, get these shares...

[Avramovic] They can sell them immediately, straight away, they go onto the market straight away. They can

do what they want with them. There are no internal shares, or some such foolery; they are all the same.

[Kosic] What are the differences in the procedure?

[Avramovic] The government's proposal starts with one year estimating the capital value. In the proposal of the working group there is no such estimate. It is of no value. The only price is the price as determined by the market. In our concept shares are sold immediately and the market is created immediately, and the price is determined immediately, automatically.

Then, in the government's proposal, I have seen no machinery for the enforcement of this, for its implementation. Whereas we are creating an assembly commission to approve individual plans of the companies or implement this general scheme that I mentioned where there are no specific plans of the companies. This commission is crucial, multiparty, and at the same time an expert body and that will ensure the openness of all of these operations. There is nothing worse than privatization where deals are made away from the public eye; this has been proved by experience. All that we have suggested will be public.

[Kosic] Mr. Bozovic, who is at the same time the president of the house of citizens of the Federal Assembly, was a member of this group....

[Avramovic] Yes, he made a very constructive contribution.

[Kosic] Mr. Bozovic was rather skeptical about the parallel presentation of your proposal and that of the Federal Government on the agenda of the next assembly session.

[Avramovic] Well, I do not know; I am not an expert on procedure. That is something on which I am not an expert. We will finish this by Friday [10 May], I hope. Then I will send it to the prime ministers of governments, to the presidents of the assembly—there are two houses—and to the presidents of the republics. Our public will also be acquainted with it in the meantime: That is a public document of the working group. So that the public will know. And if it is worth anything, our proposal will be presented in one way or another.

[Kosic] Can you predict the outcome of the conflict between yourself and the Federal Government? Since you do not want to resign, do you think that Mr. Kotic [FRY prime minister] might resign?

[Avramovic] There is no war between us. What surprised me was the editorial that recently appeared in POLITIKA EKSPRES, where one commentator says that the promotion of our diplomats from charge

d'affaires to ambassadors will enable them actively to negotiate with foreign governments, with great powers, and that that can be a substitute for multilateral talks. And he says that our talks with international institutions will not be finished before the coming elections in the United States. I was appalled when I read that: That is precisely what Mr. Kotic had said at the government's session of 23 April. Then I said that all these activities should stop. He was very insulted at that, although I said that as a most pragmatic conclusion. I am puzzled that it has now appeared in the press. If that is the way it is, if the government has really made a decision to keep things at a standstill until November, until January, February—you know that after elections a few months are necessary for the new U.S. president to take over—that is at least seven, or nine months. If that reflects public opinion, if that reflects the attitudes of the government, then we, with these interest rates, are in a catastrophic situation.

[Kosic] Where is Slobodan Milosevic, president of Serbia, in all this? What is his role in your conflict with the government?

[Avramovic] I have not talked with Mr. Milosevic since 30 March. You will have to pose those questions to him.

Montenegro

Montenegro: PM Says Secessionists Not Gaining Influence

LD2605120496 Belgrade TANJUG Domestic Service in Serbo-Croatian 1112 GMT 26 May 96

[FBIS Translated Text] Milocer, 26 May (TANJUG)—Milo Djukanovic, the prime minister of Montenegro, said in Milocer today that the republican political forces favoring its secession from the Federal Republic of Yugoslavia would not gain more votes at the forthcoming elections than at the previous ones, when they got between 15 and 17 percent votes.

Talking to participants at the traditional journalists' gathering held every May, Djukanovic said that there was "a profusion of political differences" in Montenegro and that out of five parliamentary parties "at least one and perhaps two" were in favor of an independent Montenegrin state, but he pointed out that an overwhelming majority of citizens were for the FRY.

"Our wish, political goal and interest is the FRY, despite some objective, or momentary, differences between its two constituent parts—Serbia and Montenegro," Djukanovic said, and then proceeded to answer questions of journalists from 24 countries.

Montenegro: Registration of Refugees Begins
LD2705095796 Belgrade TANJUG in English
0929 GMT 27 May 96

["Pool" item]

[FBIS Transcribed Text] Podgorica, May 27 (TANJUG)—The registration of refugees who have fled the former Yugoslavia's war zones to Montenegro began throughout the Yugoslav Republic on Monday.

Official figures put the number of refugees sheltering in Montenegro at 45,000, which is nearly 10 percent of its population.

Head of the Podgorica-based office of the U.N. High Commissioner for Refugees (UNCHR) Francesco Nata said the registration would in no way result in settling the status of refugees against their will.

Nata said refugees should respond to the registration without any reserve or fears because in that way they would help humanitarian organisations to solve their problems.

Registration expenses will be for the largest part covered by UNHCR that has already earmarked 130,000 dollars for the purpose.

The registration of refugees sheltering in Serbia began on April 15 and will end on May 31.

Serbian refugee commissioner Bratislava Morina said Saturday that nearly 400,000 refugees had been registered so far.

It is believed that about 700,000 refugees have found shelter in Serbia. Of this figure about 130,000 are non-Serbs.

Kosovo

Kosovo: Rugova Congratulates Berisha on Election Victory

AU2705174196 Tirana TVSH Television Network
in Albanian 1635 GMT 27 May 96

[FBIS Translated Text] The president of the Republic of Kosova, Dr. Ibrahim Rugova, has sent the following telegram to President Berisha:

Dear president, on behalf of the people of the Republic of Kosova and in my own personal name, please accept our warmest wishes on your victory and that of the Democratic Party (PD). The victory by the PD is an approval by the Albanian electorate of that party's work and democratic governance, of the spiritual and economic revival of Albania, and of the prospects that the PD ensures for the prosperity of the Albanian people.

With their free vote the Albanian people have once again shown that they are a Western people.

Mr. President, please convey our best wishes to the others who won the vote for the Albanian Parliament.

I assure you that Kosova's cooperation with Albania will continue as it has, for the common good of peace and stability in the region, the telegram from President Rugova concludes.

Kosovo: LDK Welcomes Albanian LDK's 'Great Victory'

AU2705182696 Tirana TVSH Television Network
in Albanian 1635 GMT 27 May 96

[FBIS Translated Text] The Democratic League of Kosova (LDK) Presidency has sent greetings to the Albanian Democratic Party (PD) Presidency and its chairman, Dr. Tritan Shehu, on the occasion of its victory in yesterday's parliamentary elections in Albania. The telegram says:

Delighted by the first reports on the results of the elections, we greet the PD's great victory. Your road of radical democratic transformations and the determined break with the past, as well as the entire economic and civilized emancipation and Western orientation, brought about the desired result in yesterday's elections.

We have always hailed your principled commitment to Kosova and the Albanian issue.

Expressing our pleasure with our cooperation so far and our desire for closer cooperation between the PD and the LDK, we greet you once again on your great victory, the LDK Presidency's telegram concludes.

Kosovo: Ethnic Parties Welcome Albanian Election Result

AU2705205896 Tirana TVSH Television Network
in Albanian 1635 GMT 27 May 96

[Telephone report by Mehmet Haziri from Pristina]

[FBIS Translated Text] The victory of the Democratic Party (PD) in yesterday's [26 May] parliamentary elections in Albania is assessed in Kosova as a victory for all Albanians. In their pronouncements, the political and state subjects in Kosova stress that the Albanian voters decided for Albania's final break up with the East and its integration into the West.

In a public statement, Democratic League of Kosova (LDK) Deputy Chairman Dr. Fehmi Agani stressed that the PD's expected victory was a fair decision by the electorate on the results attained and that Albania has

now successfully passed through the most serious phase of transition toward European modern developments.

Meanwhile, Academician Mark Krasniqi, chairman of the Albanian Christian Democratic Party of Kosova, assessed that the PD victory in Albania is a victory for all Albanians, particularly a victory of us, the Kosovars, as, despite the continuous commitment so far, an Albania headed by President Sali Berisha will be further committed in future to resolving the Kosova issue. All doors toward Europe are open to Albania, Mark Krasniqi underlined.

Gjergj Dedaj, chairman of the Liberal Party of Kosova, declared that with this victory Albania paves the way for the 21st century to become the century of the Albanians in the Balkans. This victory deals the final blow to the Red Front in Albania but also to the former communists in Kosova, Mr. Dedaj assessed.

Mehmet Bardhi, chairman of the Albanian Democratic League in Montenegro, the Democratic Union of Albanians in this republic, the Presheve-based [Presevo] Party for Democratic Action, and the LDK branch in Decan [Decani] also greeted President Sali Berisha, the PD, and the Albanian people in Albania.

All these greetings by Albanian personalities and political subjects in Kosova and other Albanian areas in the former Yugoslavia voice the hope that Albania, definitively turned toward Europe, will be more strongly committed to the independence of the Republic of Kosova, and the solution of the Albanian issue in the Balkans.

Kosovo: Official Guarantees Civic, Minority Rights

LD2505113996 Belgrade TANJUG in English
1118 GMT 25 May 96

[FBIS Transcribed Text] Pristina, May 24 (TANJUG)—No one's constitutional, citizens' or national rights are jeopardised in the Serbian Province of Kosovo and Metohija (Kosmet) and Yugoslavia's constitutional system has accepted superior standards of citizens' and minority rights which are applied in the modern world, an official of the Socialist Party of Serbia (SPS) said in Pristina on Friday evening.

Tomica Raicevic, member of the SPS executive council, said during a party committee meeting in the provincial

capital of Pristina that Serbia would 'energetically stand up against all attempts to jeopardise the legitimate system under the guise of protecting human rights, a system which guarantees equal rights to all citizens and individuals regardless of nationality.'

Serbia is undertaking all necessary measures to strengthen mutual confidence between Serbs and ethnic Albanians in Kosovo and Metohija, Raicevic said and added that by provoking tensions between peoples in Kosovo Albanian separatists and extremists wish to block processes supported by the entire world community.

He stressed that it is Serbia's and Yugoslavia's lasting commitment to settle all possible conflicts through a dialogue on an equal footing, through full respect of legitimate rights of all peoples and nationalities.

He added that the international community had on more than one occasion underlined that Kosovo and Metohija was an inseparable part of Serbia and Yugoslavia.

Vojvodina

Vojvodina: RDSV Leaves Coalition With Ruling Serb Party

LD2705174196 Belgrade TANJUG Domestic Service
in Serbo-Croatian 1540 GMT 27 May 96

[FBIS Translated Excerpt] Novi Sad, 27 May (TANJUG)—Momcilo Grubac, chairman of the assembly of the Reformist Democratic Party of Vojvodina [RDSV], said today that the main party committee has decided to break up a coalition with the Socialist Party of Serbia [SPS] and that all RDSV members who hold posts in the provincial and city government would resign.

Explaining this decision, Grubac told a news conference that "SPS is stalling the economic and social reforms and is destroying the seeds of democratic change that existed at the beginning of the 1990's."

"The straw that broke the camel's back is the departure of National Bank Governor Dragoslav Avramovic," Grubac said. [passage omitted]